



# 17<sup>th</sup> Annual Australian Almond Conference

***Pullman Hotel Melbourne***

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November 8<sup>th</sup> – 10<sup>th</sup>, 2016



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# What's the Future Hold for the Almond Industry?

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Rabobank

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Looking into the Future



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# Rabobank – A Global Financial Services Leader



***One of the World's Safest Commercial Banks <sup>1</sup>***

***Dedicated expertise in food & agriculture***

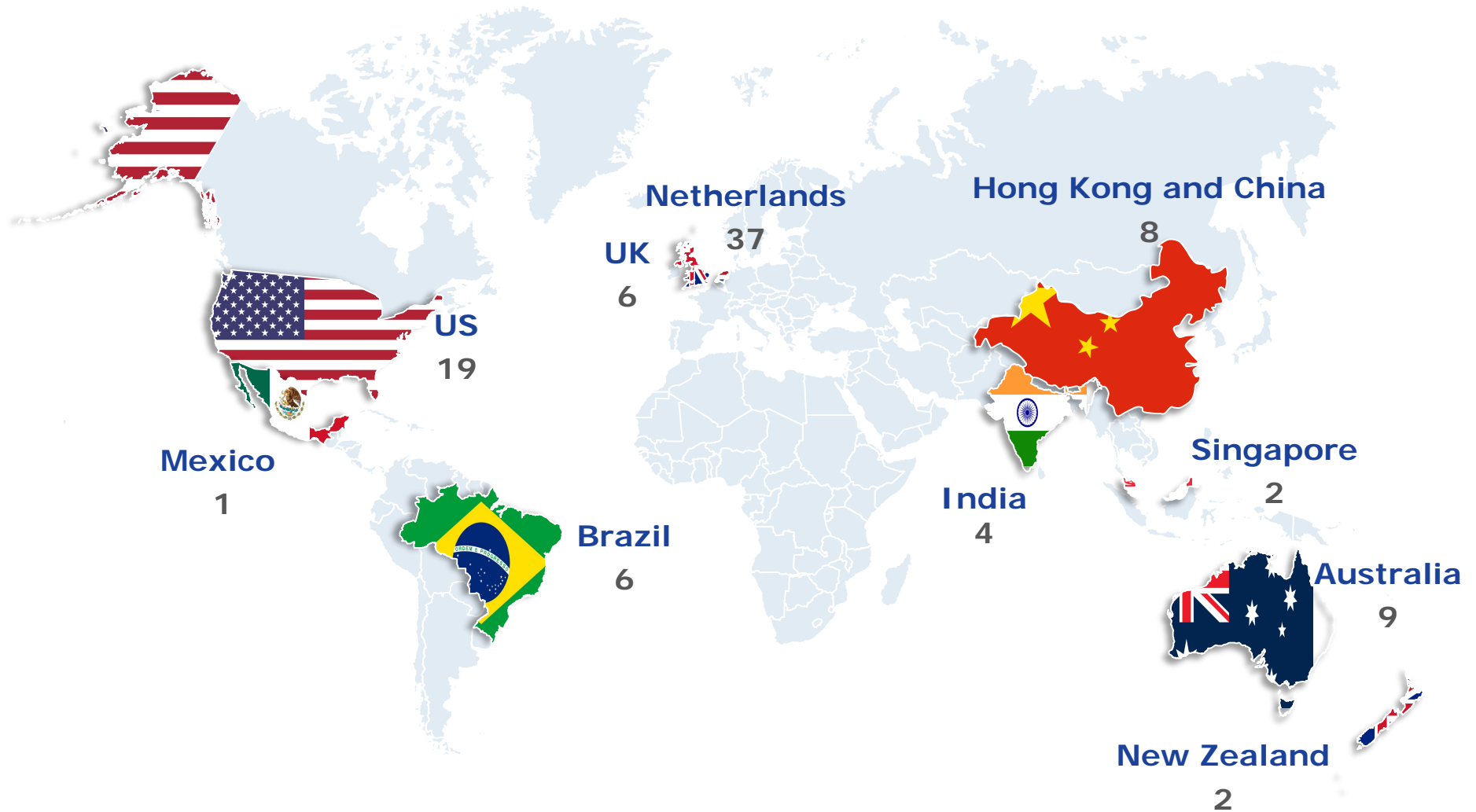
***Over \$800 billion in assets***

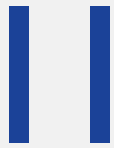
***40+ countries***

***50,000+ employees serving over 8 million clients***

1. Global Finance Awards, World's 50 Safest Banks 2015

# FAR has a team of 94 professionals in 10 different Countries: A truly global team





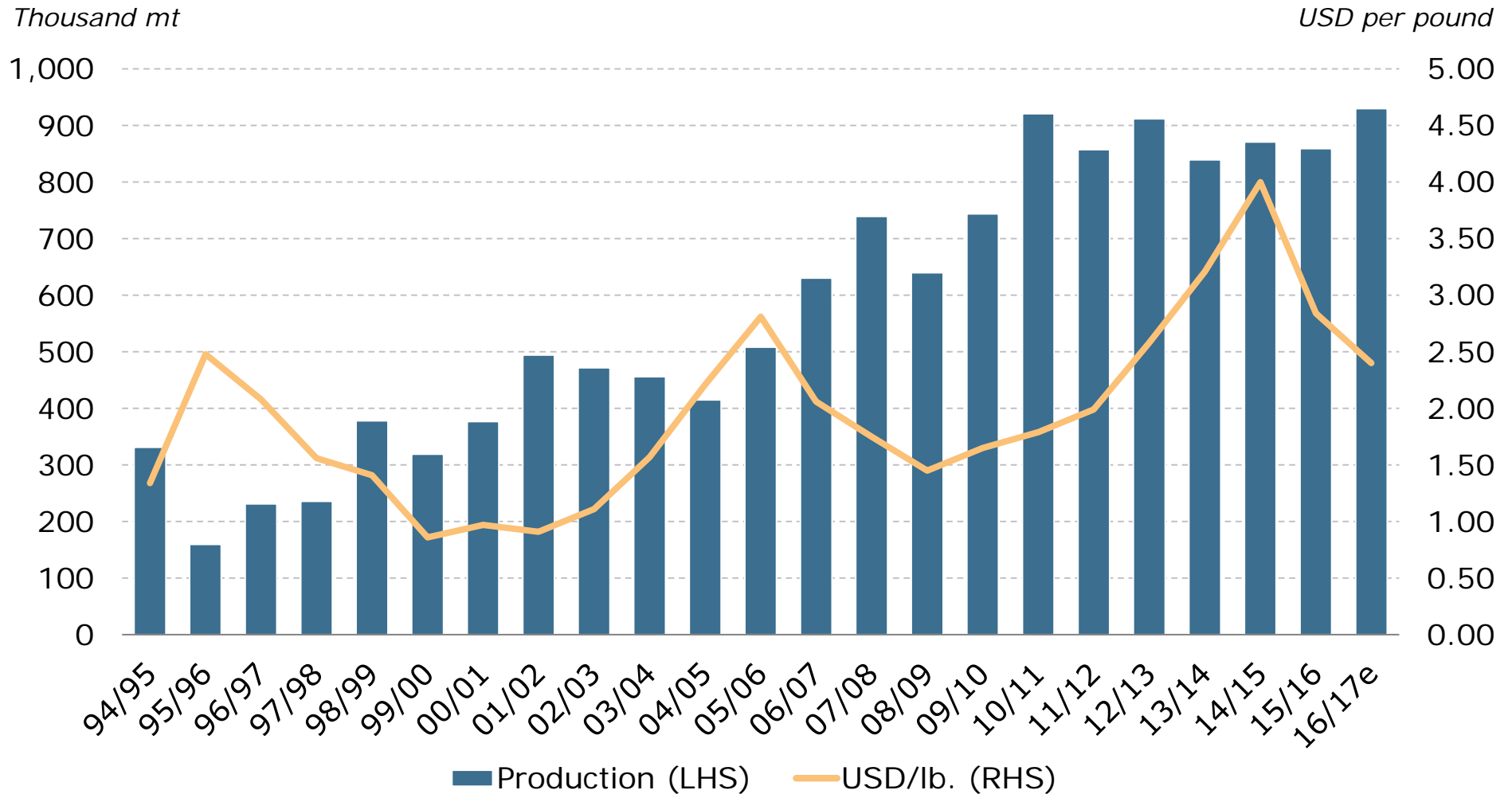
## *What's Happening in California*



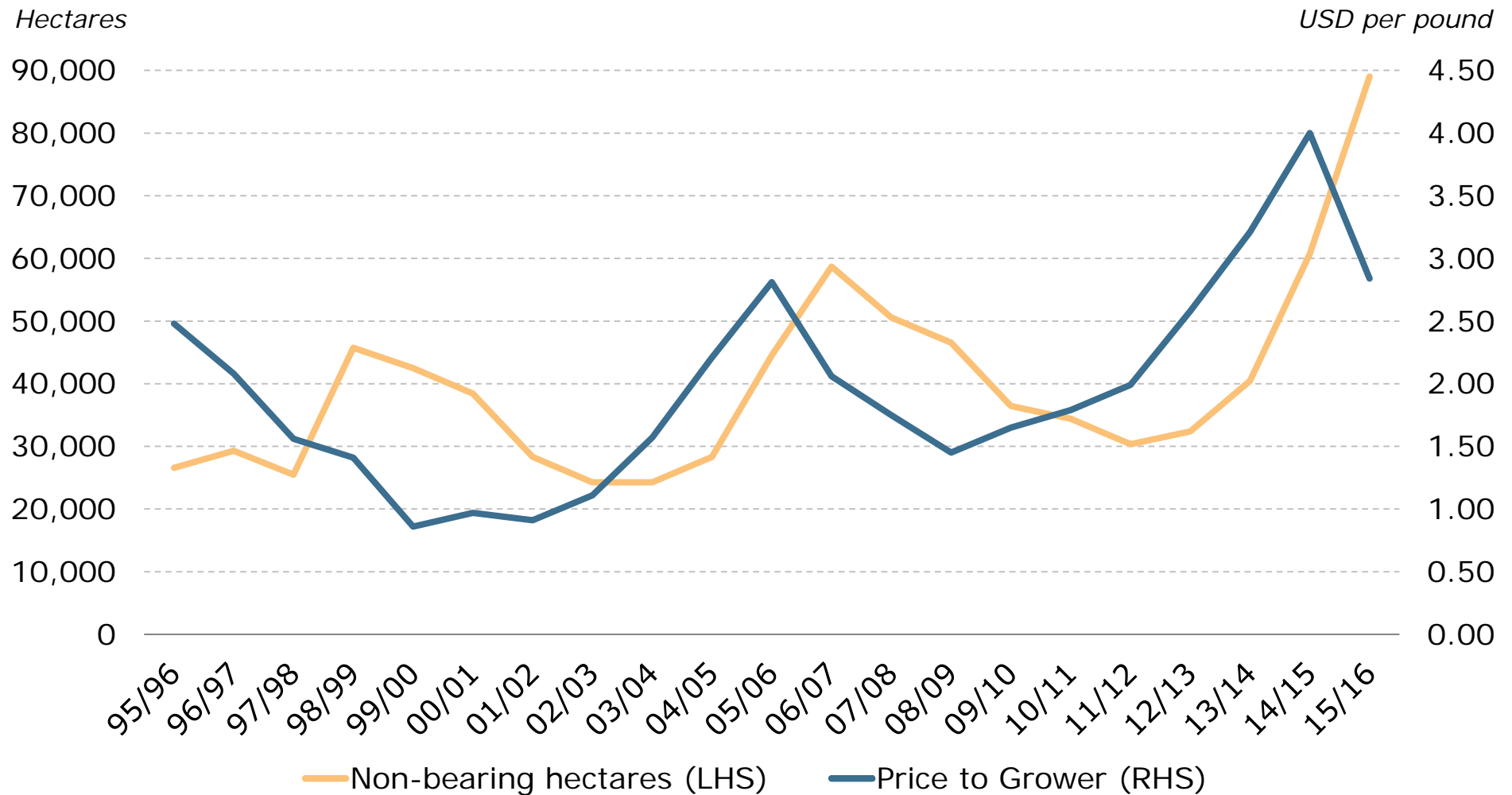
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# Prices Have Peaked...Again



# Non-Bearing Hectares Lags Price Trend

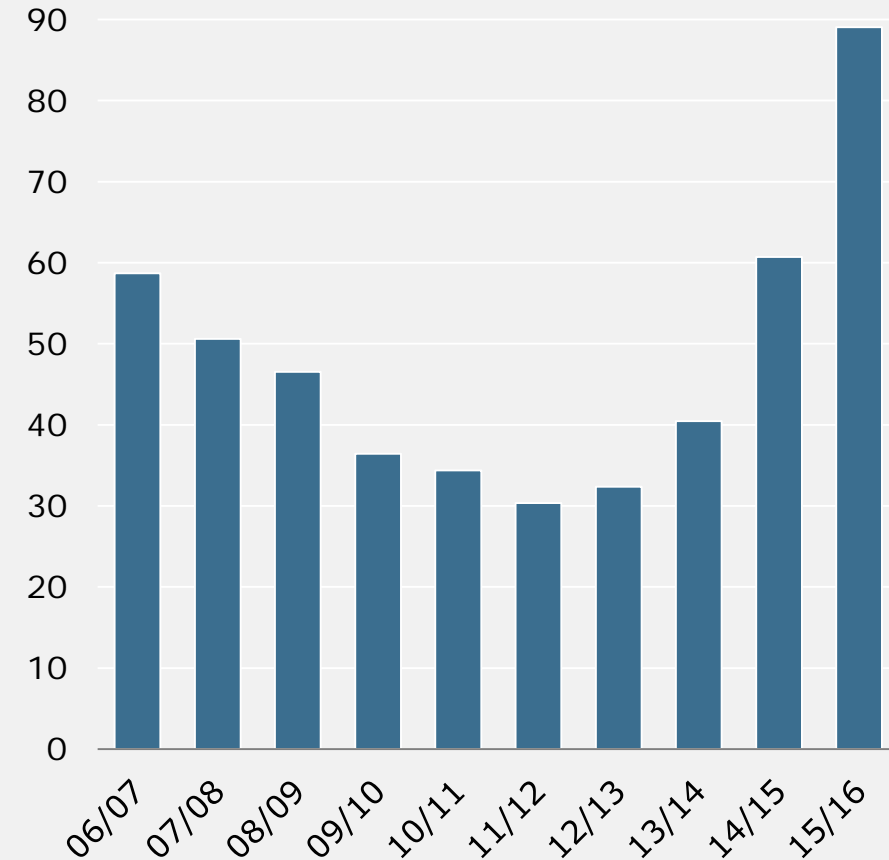




# Almond Hectares Continues to Expand

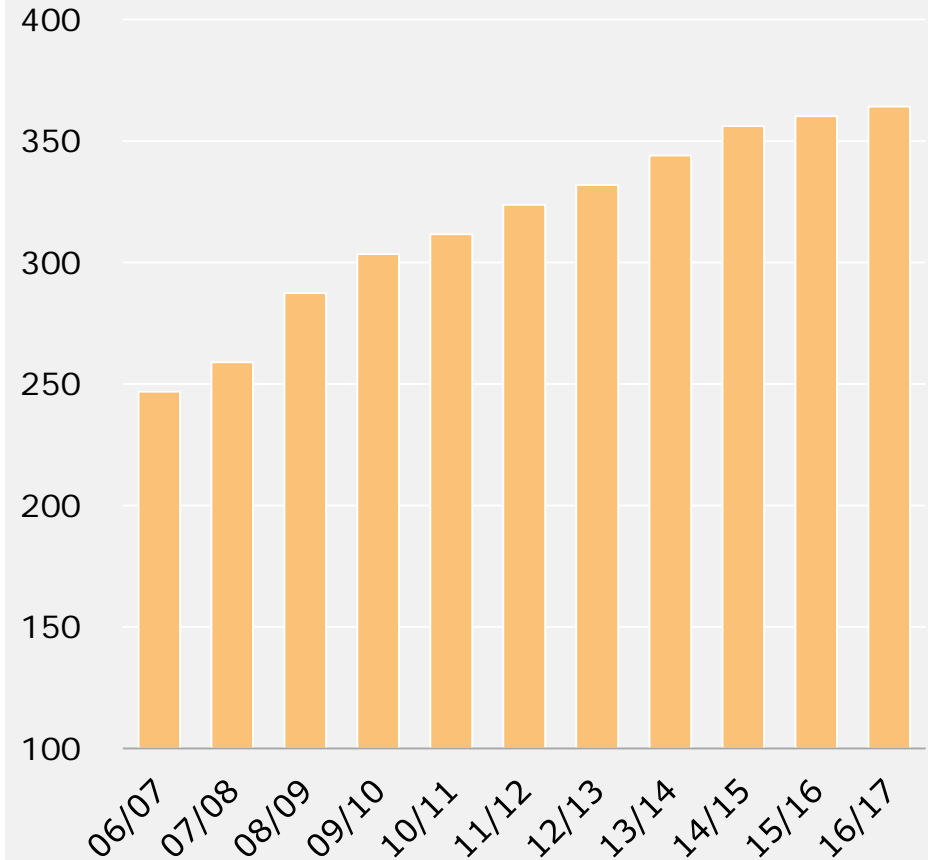
## Non-bearing Hectares

Thousand Hectares



## Bearing Hectares

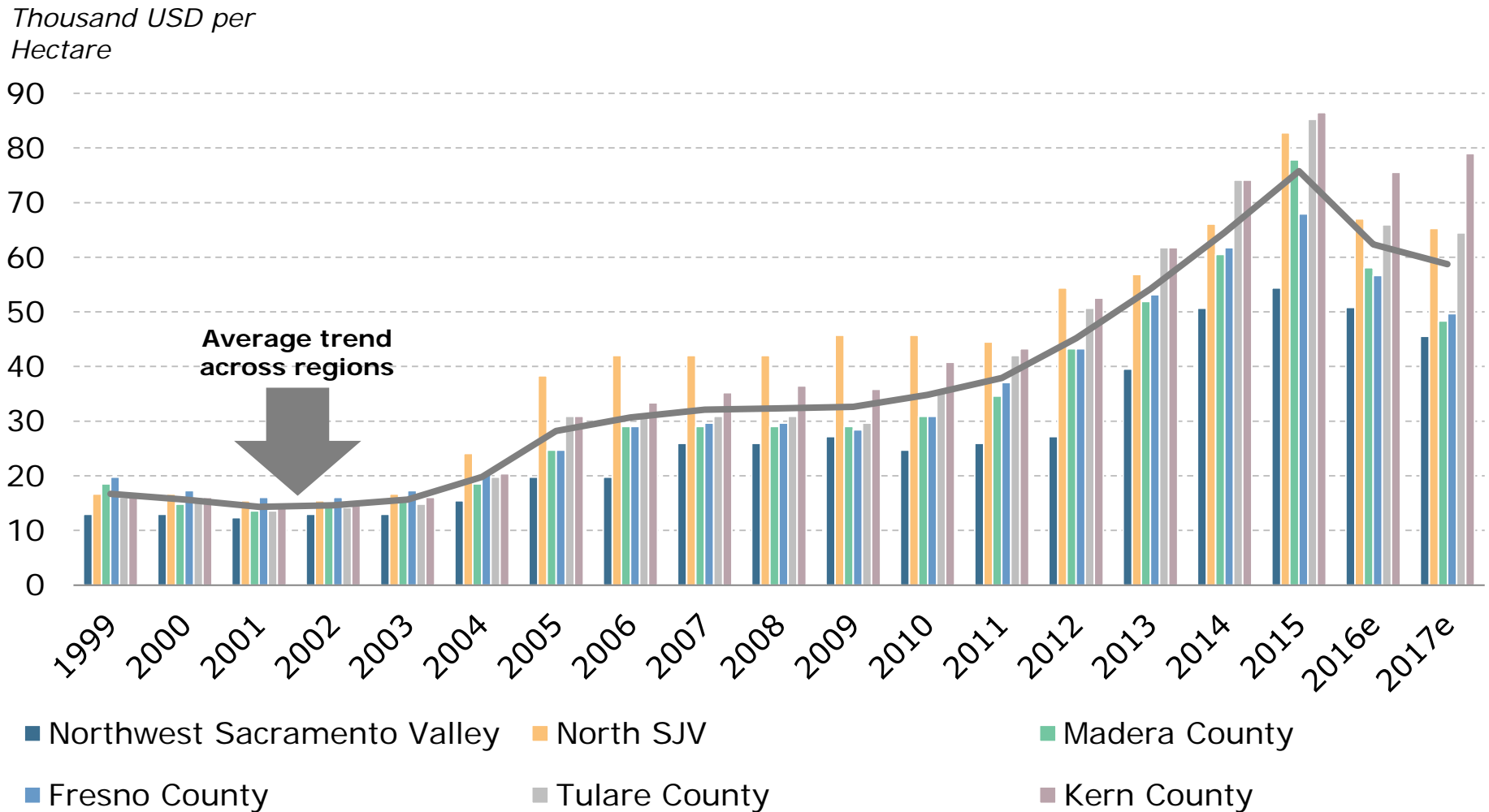
Thousand Hectares



# Historical Land Value Trends Have Been Breached

	CAGR '99-2010*	CAGR 2010-'15	Difference
<b>Sacramento Valley Northwest</b>	5.8%	18.4%	<b>12.6%</b>
<b>Sacramento Valley South</b>	3.9%	16.1%	<b>12.2%</b>
<b>Sacramento Valley Yuba-Sutter</b>	5.3%	20.0%	<b>14.7%</b>
<b>San Joaquin Valley North</b>	7.0%	9.7%	<b>2.7%</b>
<b>San Joaquin Valley Central</b>	5.6%	19.7%	<b>14.0%</b>
<b>San Joaquin Valley South</b>	6.8%	17.1%	<b>10.3%</b>

# Almond Land Values California



# What Would the Supply Response Have Been?

## *Drought Relief, but Not Eliminated*

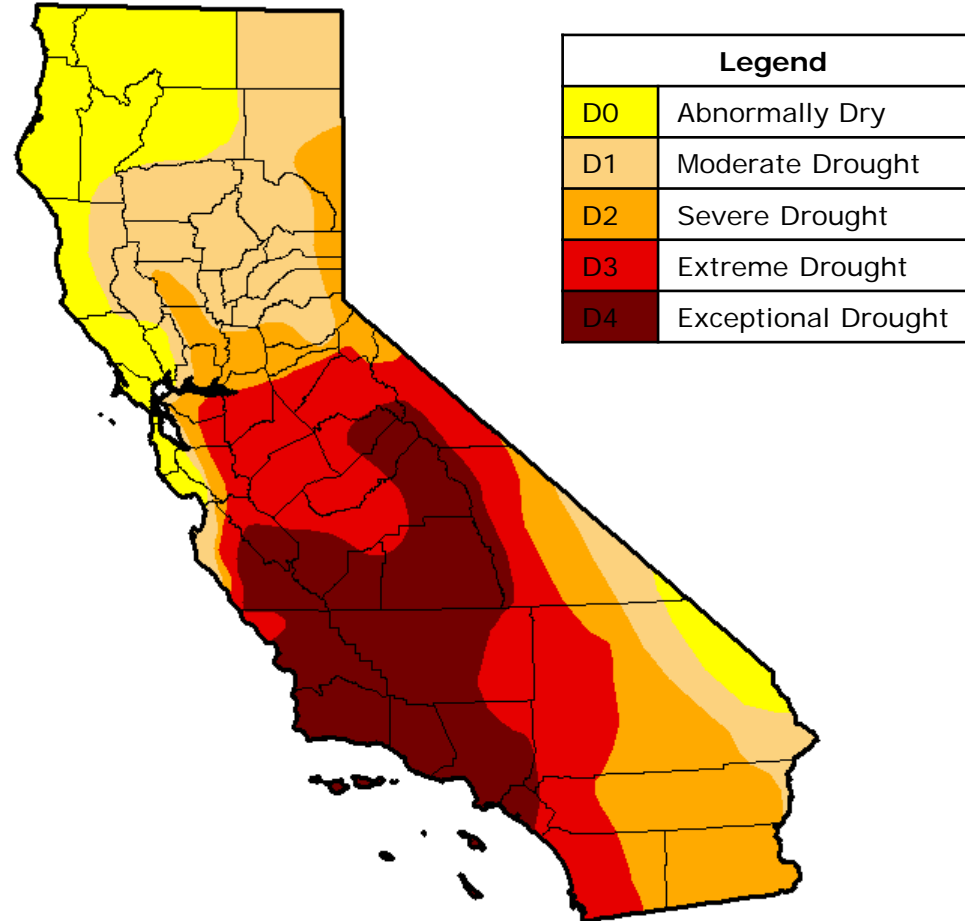
As of October 18, 2016

### **Labor Shortages/Costs**

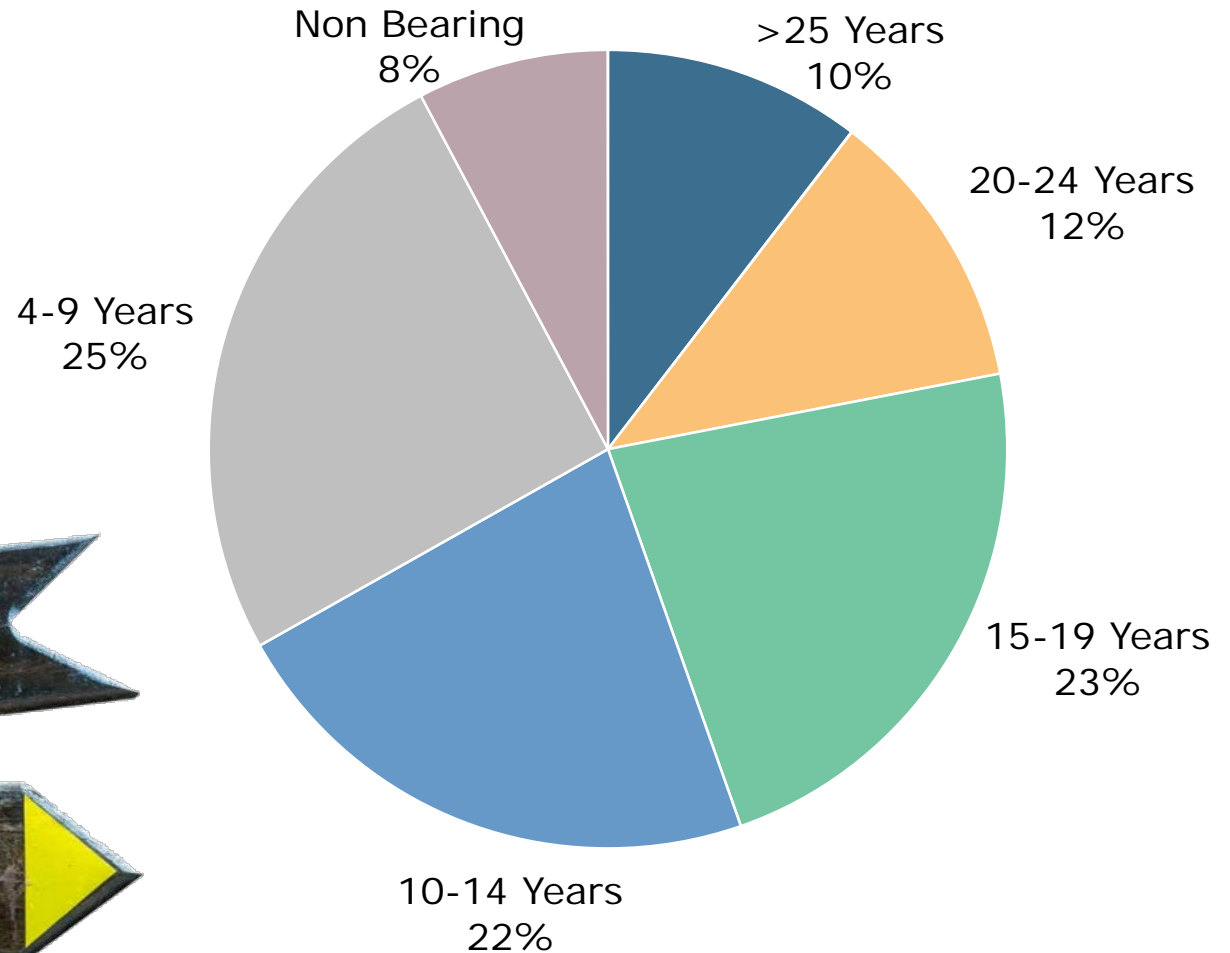
- *Jobs are physically demanding*
- *Economic growth in Mexico*
- *Stricter immigration enforcement*
- *Decrease of birthrates*

### **Environmental Considerations**

- *Air quality*
- *Water quality*
- *Soil health*
- *Climate changes*
- *Food safety*



# High Prices Made Old Trees Profitable







## Global Production & Consumption

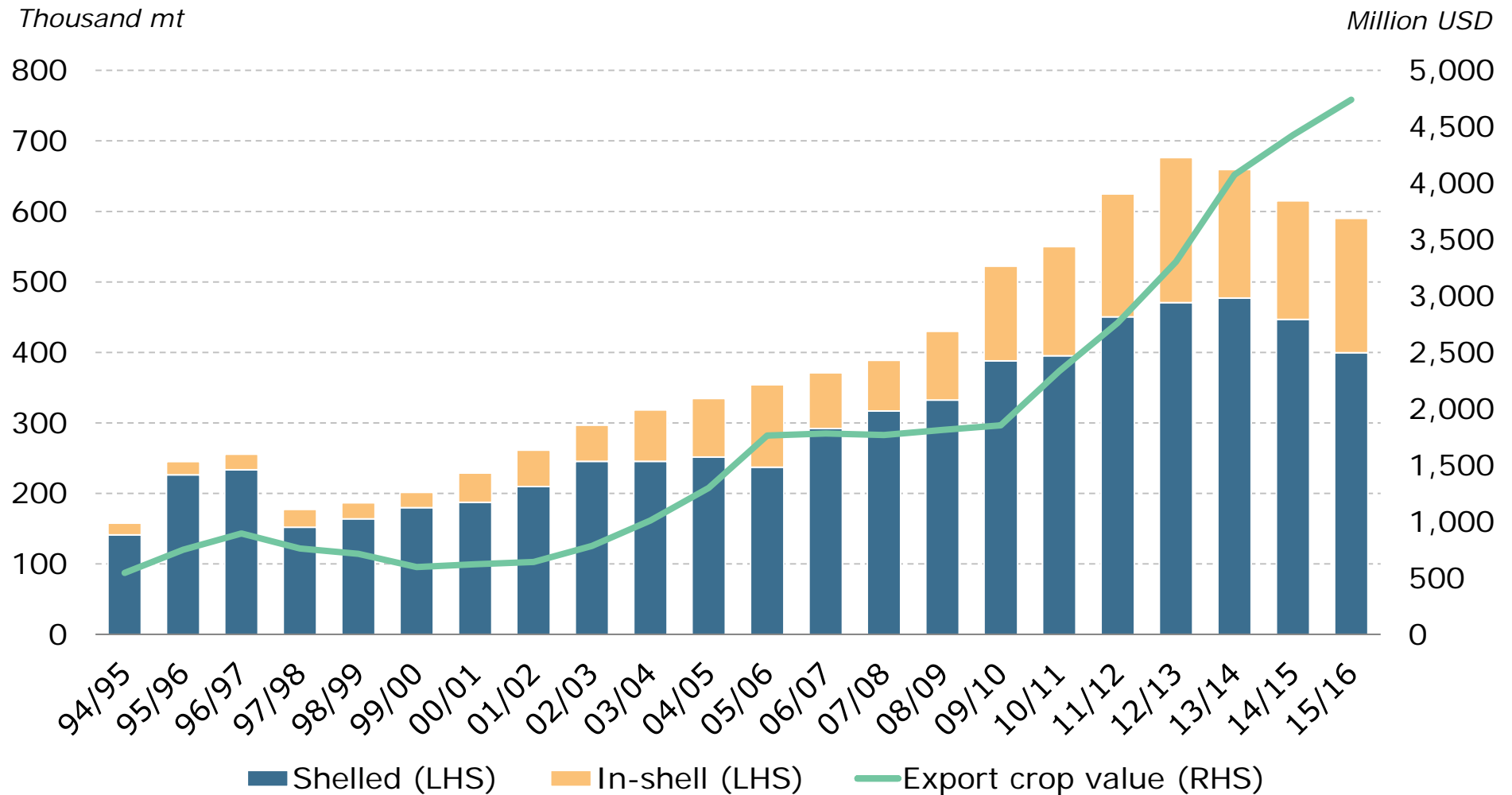
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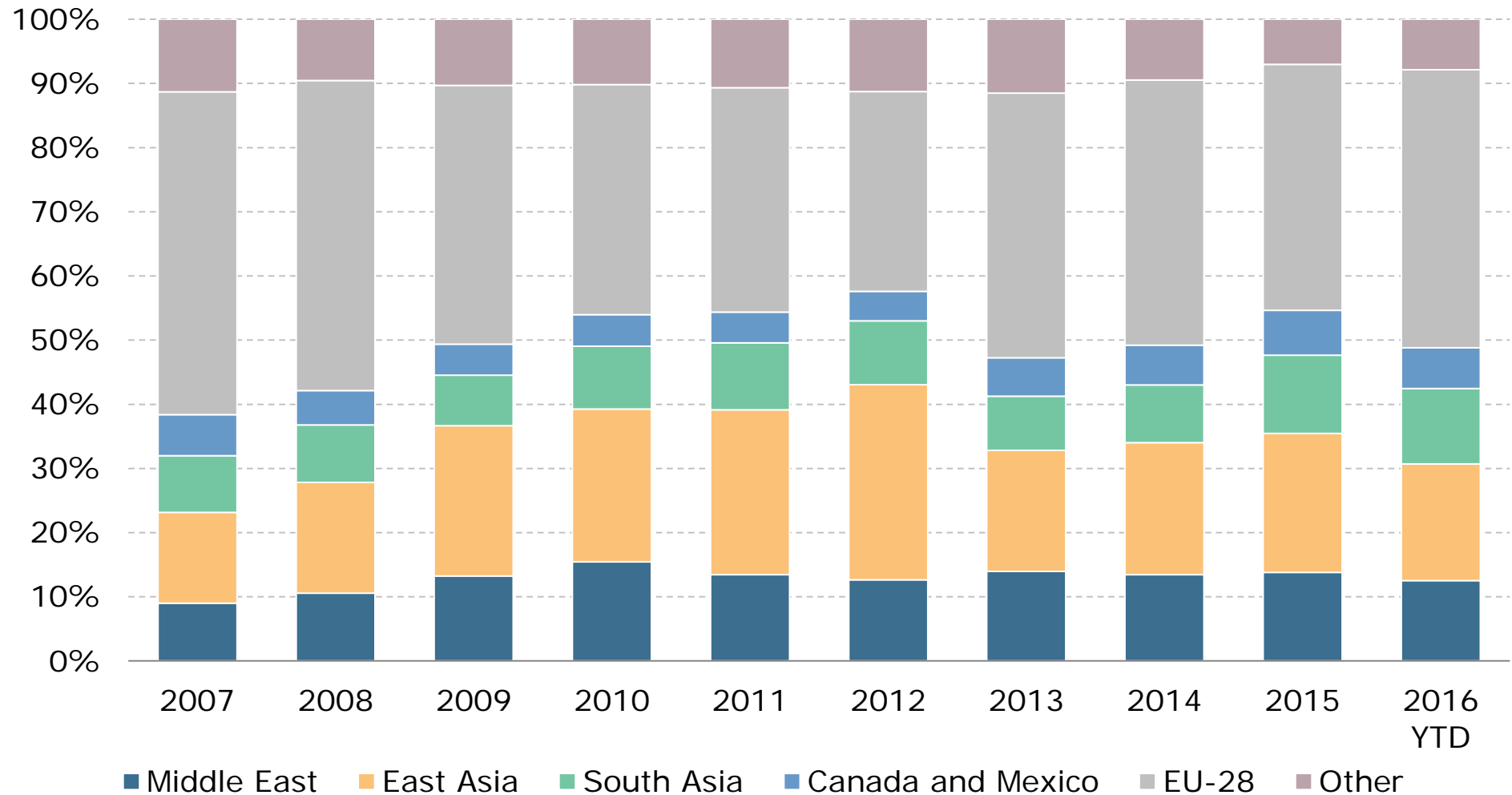
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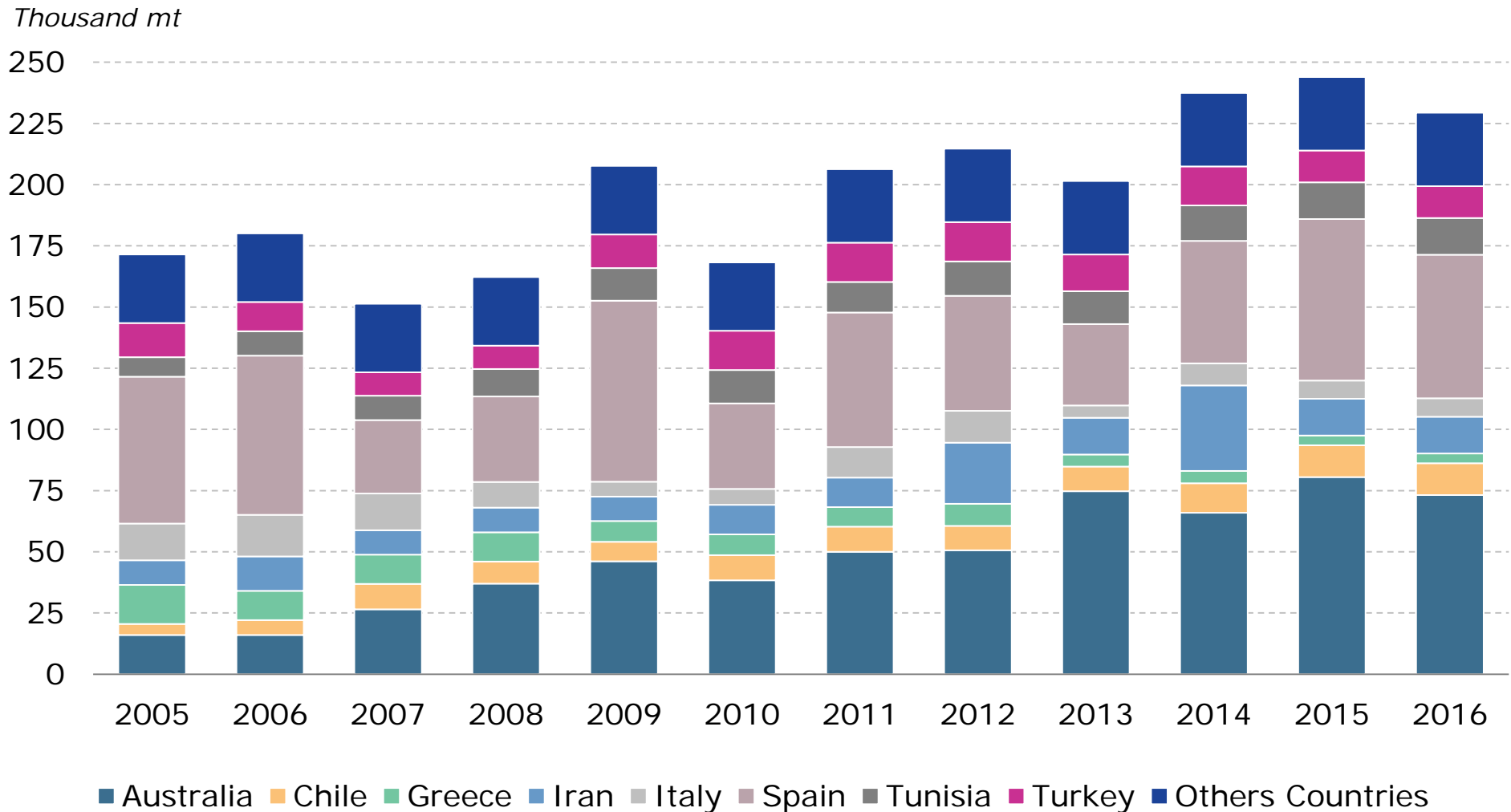
# In-shell Demand is Increasing



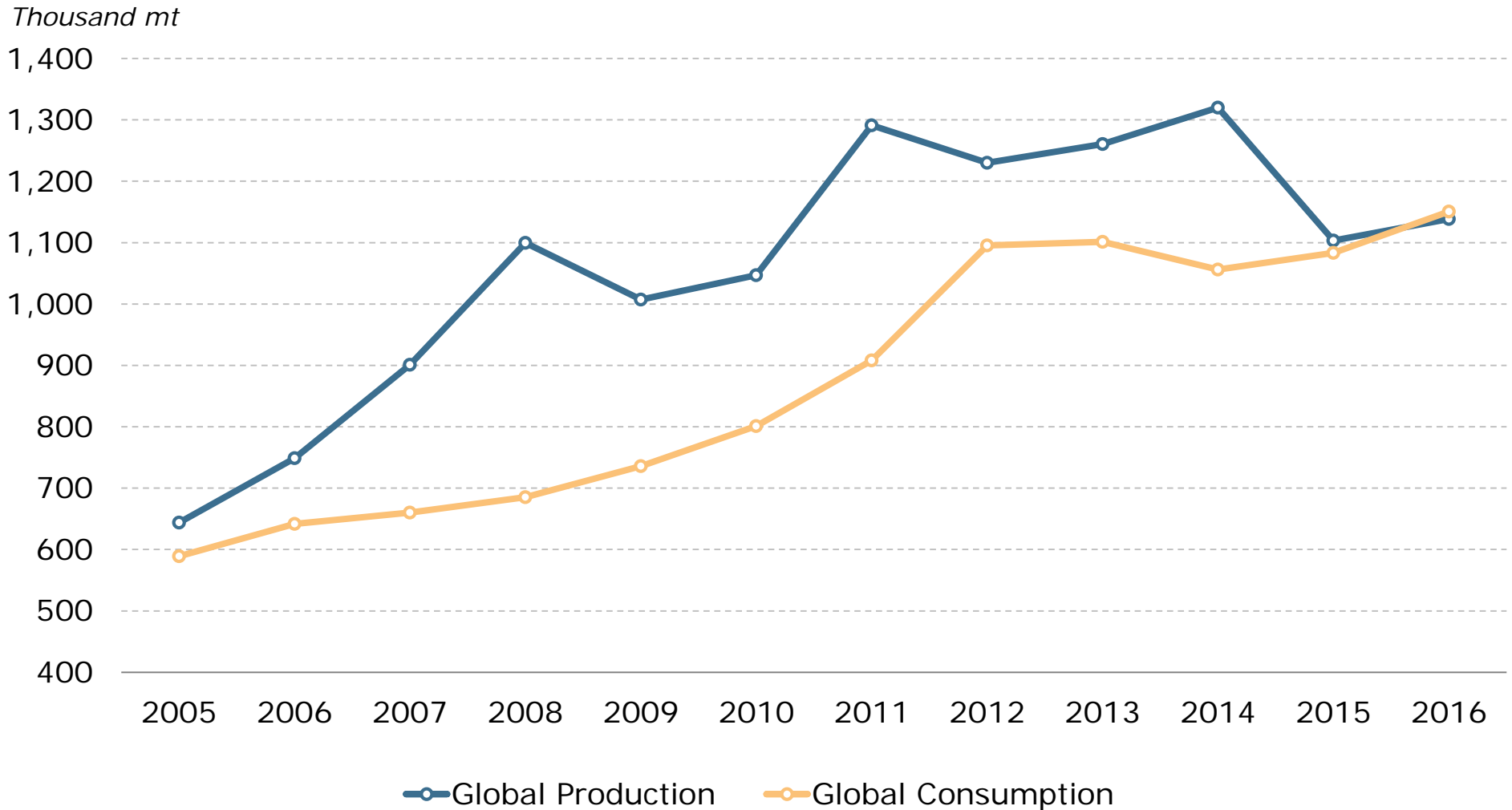
# Export Shipments by Region



# Global Production Trends...Excluding the US



# Global Production and Consumption Trends





# IV

## Financial Markets



# USD/FX Index

Bloomberg DXY Index	
Weighting	
EUR	32%
GBP	9%
JPY	18%
CAD	11%
CHF	4%
KRW	3%
CNH	3%
BRL	2%
AUD	6%
MXN	10%



# Historic AUD to USD



# The Last 6 Years...And the Next 12 Months



V

## Looking into the Future

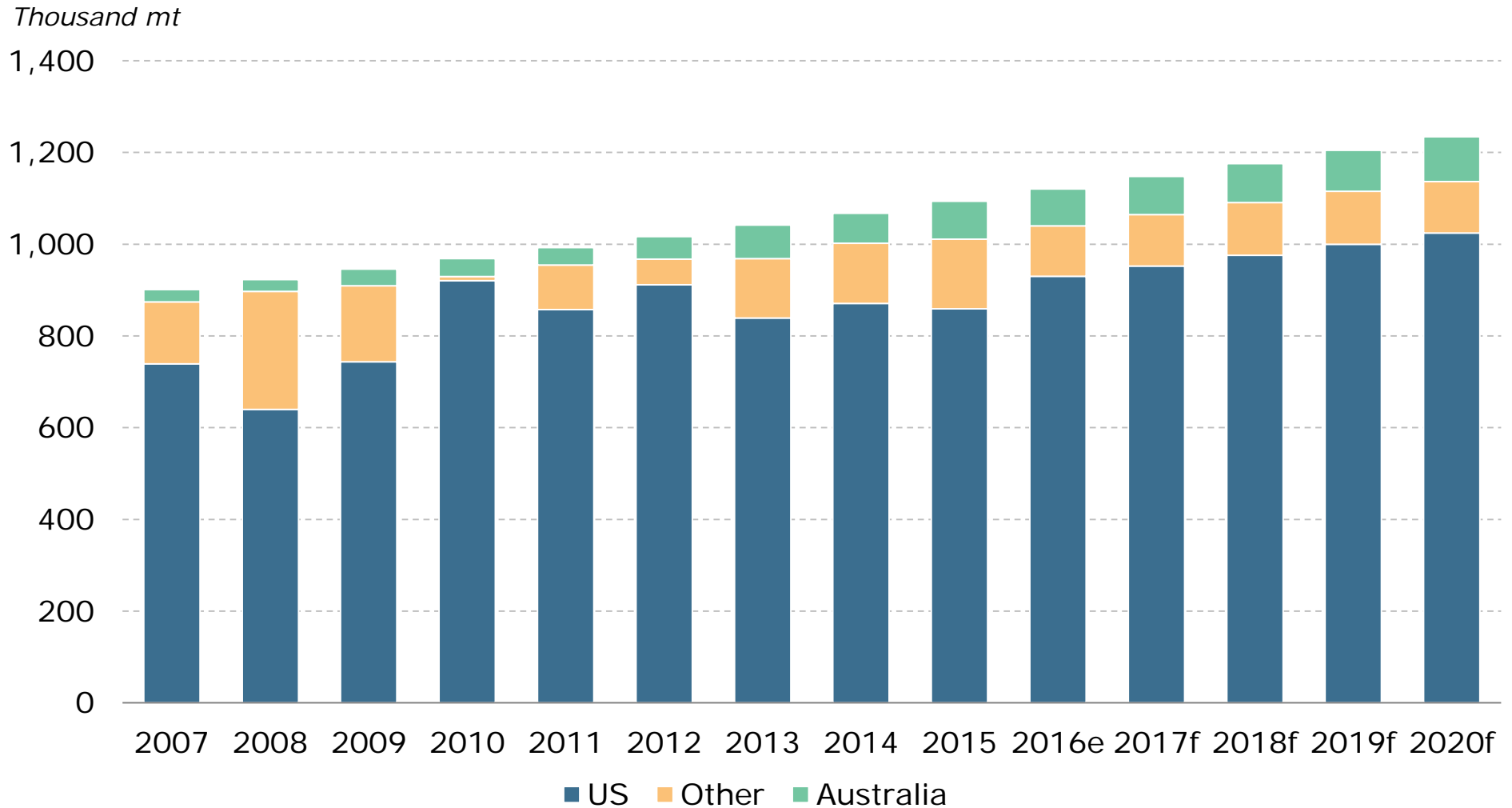


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# What's the Future Hold?



# Contact Details

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