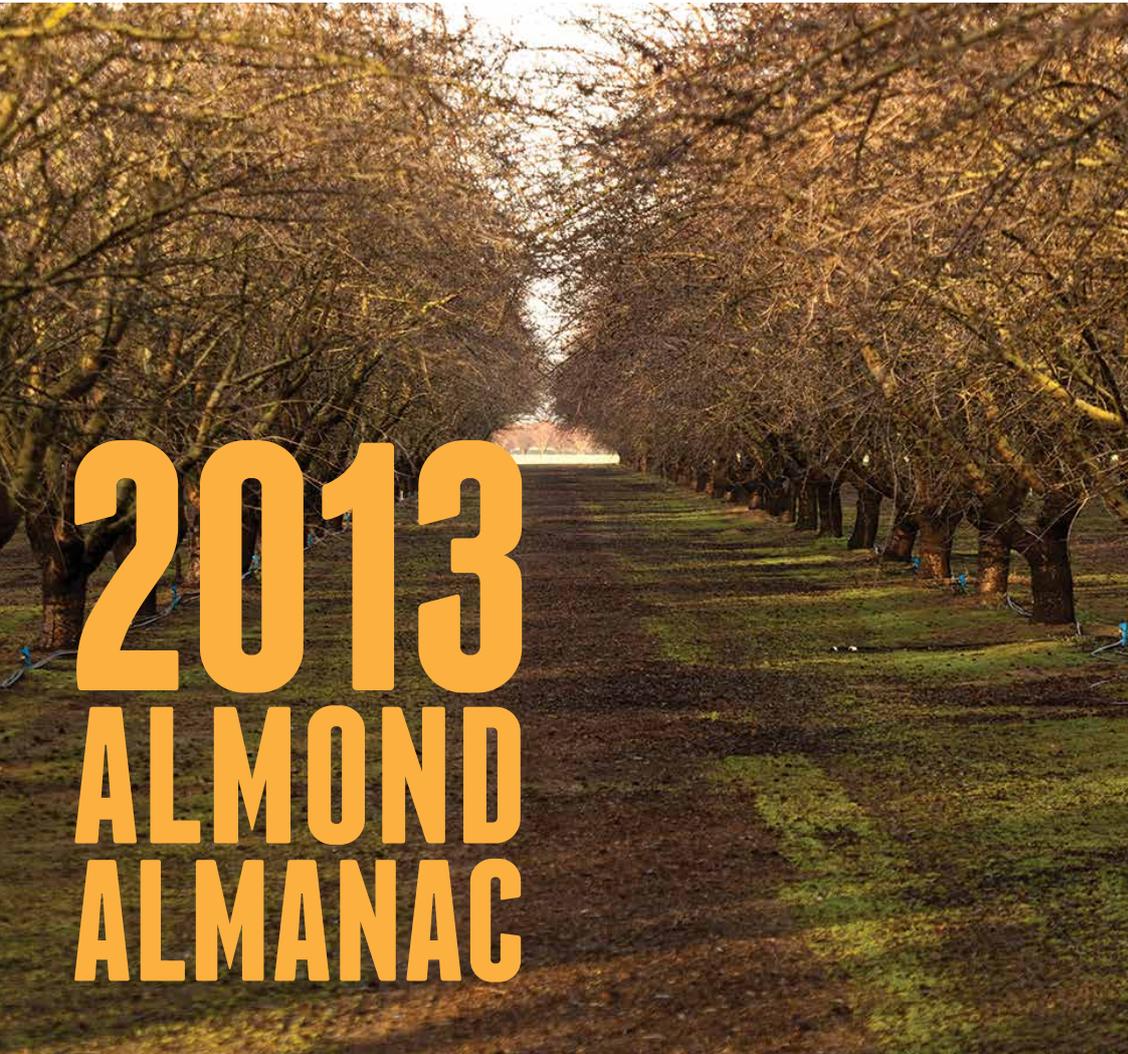


2013 ALMOND ALMANAC



 **california**
almonds[®]
Almond Board of California



The California Almond Industry

At Your Fingertips

Almond Board of California (ABC) promotes almonds through its research-based approach to all aspects of farming, production and marketing on behalf of California Almond growers and handlers. The Almond Almanac is ABC's annual report, which outlines the programs and projects that power the industry toward meeting its vision, and it provides a comprehensive analysis of the production and marketing of California Almonds.

The Almond Almanac is prepared by ABC on a crop-year basis, spanning August 1 through July 31, and includes comprehensive historical information about almond production, acreage and varieties, as well as shipment and market information. The statistical content is compiled using various handler forms required by the industry's Federal Marketing Order. Additional data, including crop estimates and farm price, are supplied by the USDA National Agricultural Statistics Service, Pacific Region Field Office (NASS/PRO).

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2013 Board of Directors



Bill Harp
Chair



Mark Jansen
Vice Chair



Bill Brush



Scott Hunter



Mike Mason



Dexter Long



John O'Shaughnessy



Dave Phippen



Dinesh Bajaj



John Thoming

VISION:

To bring great taste, health and vitality to people around the world through the enjoyment of California Almonds.

MISSION:

To make California Almonds essential to customers and consumers worldwide through innovative research, market development and industry support.

Introduction from CEO + Board Chair

Dear Almond Community Members and Allied Stakeholders,

2013 represented a bit of a break from our recent history. Over the past few years we have become used to ever-increasing crops and shipments, and this year struck a bit of a different tone.

When the final numbers were tallied, the 2012/13 crop came up short by more than 200 million pounds and, as a result, shipments decreased slightly from record levels. The rapidly emerging Chinese and Middle Eastern markets took a hit due to new regulations and civil strife, and the all-important Western European market declined by 1%. The U.S. market, however, continued its rapid growth, advancing by more than 7%, and other markets such as Mexico, Russia, Australia, Chile, Indonesia and Brazil expanded at historic rates.

Once again, the diversity of our markets provided stability. And that stability, along with increased pricing throughout the year, produced the most robust grower returns per acre ever achieved by the industry. Stability and financial strength result in growth, and with fair returns on industry assets, almond growers and handlers are poised to provide the world with ever-increasing amounts of what is arguably the best food on the planet—California Almonds.

Tied to the very optimistic outlook for the almond community are the significant agricultural hurdles that need to be surmounted for all to be well. The mind-bogglingly complex ground and surface water challenges facing the state are front and center as we enter another crop year with reservoirs and aquifers being overly taxed. Add to that the high cost and uncertainties of pollination services for almond growers, and it's more than evident that we have significant challenges in need of solutions. But that's what almond industry stakeholders have always done—solve problems. There's no course correction needed in the proactive attitude we take to problem solving, other than, perhaps, a greater sense of urgency.

The ABC Board of Directors and staff look forward to working with the entire almond community throughout the year in finding remedies to ensure its growth and prosperity. Please avail yourselves of the abundant Almond Board resources to further the success of your business and the well-being of us all.

Richard Waycott, President and CEO

Bill Harp, Chair



Strategic Priorities of Almond Board of California

Invest in programs and research that make almonds a Crop of Choice for California

- Promote sustainability of almond supply
- Enhance the industry-wide food safety system
- Identify and support basic and applied research to enhance production efficiency

Invest in programs and research that build market demand for almonds, making them the Nut of Choice

- Continue to expand the understanding of the health benefits and quality of almonds in support of market development strategies
- Implement programs to develop new markets and maintain existing ones
- Implement actions that mitigate trade barriers
- Improve market development resource allocation mechanisms and processes

Build an ABC organization that optimizes its effectiveness in establishing and executing goals

- Ensure that ABC representatives understand and adhere to fiduciary responsibility standards
- Implement Board of Director development initiatives, such as succession planning, formal orientation, board performance assessments and skills development and acquisition
- Optimize staff and committee structures and processes
- Articulate needs related to advocacy and seek out possible alternatives for meeting these needs

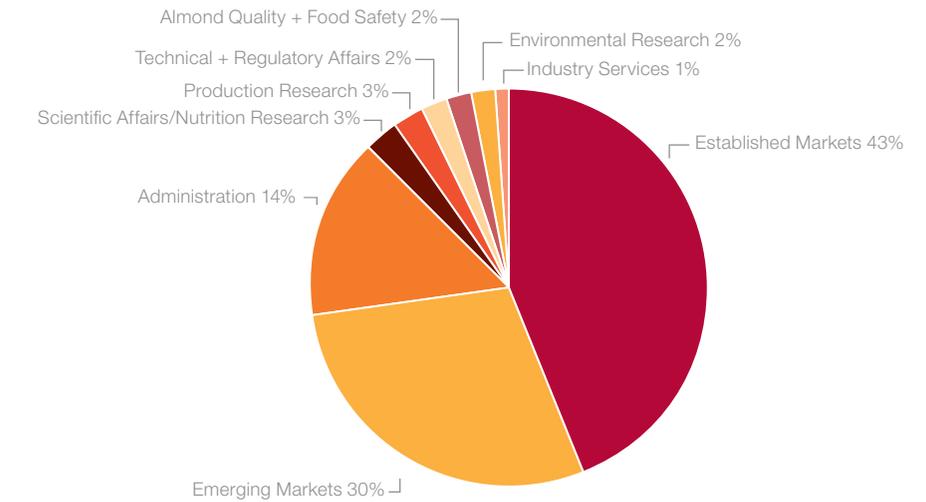


Almond Board of California Programs + Budget

Key programs for ABC contribute to meeting our vision and mission. These areas include a comprehensive global marketing program in established, emerging and exploratory markets; nutrition, production, environmental and technical research; a sustainability program; industry communications outreach; and more.

ABC programs are funded by a grower assessment placed on each pound of almonds produced. Each year, the ABC Board of Directors, made up of both growers and almond handlers, approves the allocation given to each program area. ABC staff is responsible for implementing the programs detailed on the following pages.

Program Budget Allocation fiscal year 2012/13



Source: Almond Board of California.

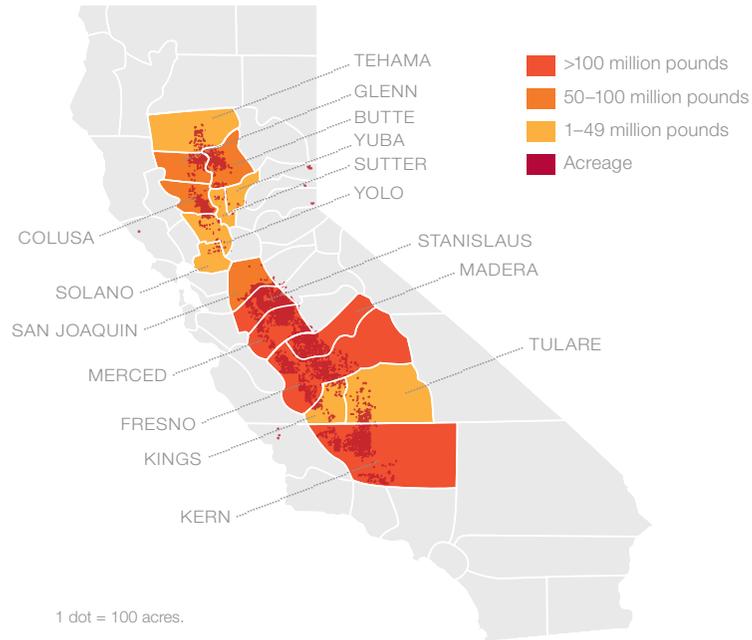


California Almond Industry Overview

California's Central Valley has ideal conditions for growing almonds with its mild climate, rich soil and abundant sunshine. California Almonds make up about 80% of the global and virtually 100% of the domestic supply. According to the 2007 USDA Ag Census, there are around 6,500 California Almond farms. Of those, 72% are family owned and 51% are less than 50 acres.

During the 2012/13 crop year California Almonds produced the second largest crop on record at 1.88 billion pounds of almonds on 790,000 bearing acres. In the same year, 106 handlers shipped 1.87 billion pounds of almonds, a 1.7% decrease from the prior year.

Almond Production by County 2012/13



Distribution of Crop by Handler Size 2012/13

| 106 Handlers | Number of Handlers | Percentage of Crop Handled |
|---------------|--------------------|----------------------------|
| <1M pounds | 24 | <1% |
| 1-24M pounds | 58 | 23% |
| 25-49M pounds | 15 | 28% |
| 50-74M pounds | 5 | 17% |
| >75M pounds | 4 | 33% |

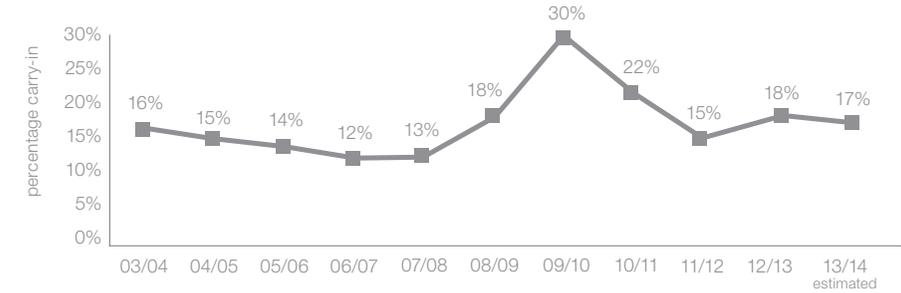


Historical Shipments

Crop year 2012/13 production was the second largest crop on record at 1.88 billion pounds. The 2013/14 crop is forecasted at 1.85 billion pounds and is based on an estimated 810,000 bearing acres.

California Almond shipments decreased 1.7% in 2012/13 to 1.87 billion pounds. The U.S. remains the single largest market, up 8% to a new record of 588 million pounds and accounting for 32% of total shipments. For the fourth year, California shipped more than 1 billion pounds to export destinations, making FY 2012/13 the second largest export year with 1.28 billion pounds shipped.

Carry-In as a Percentage of Prior Year Shipments crop years 2003/04-2013/14



Source: Almond Board of California.

Historical Crop Size + Shipments vs. Farm Price crop years 2003/04-2012/13



Sources: Almond Board of California, USDA, NASS/PRO.

2013

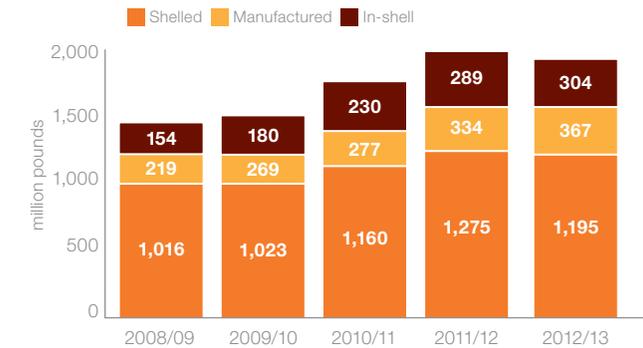
Position Report of California Almonds million pounds

| Crop Year | Redetermined Marketable | Carry-in | Reserve | Total Salable Supply | Domestic Shipments | Export Shipments | Total Shipments | Salable Carryover |
|-----------|-------------------------|----------|---------|----------------------|--------------------|------------------|-----------------|-------------------|
| 1994/95 | 713.3 | 102.6 | 0.0 | 815.9 | 160.6 | 448.1 | 608.7 | 204.8 |
| 1995/96 | 352.3 | 204.8 | N/A | 557.1 | 132.8 | 335.1 | 467.9 | 92.8 |
| 1996/97 | 489.3 | 92.8 | N/A | 582.1 | 137.5 | 395.8 | 533.3 | 48.3 |
| 1997/98 | 736.8 | 48.3 | N/A | 785.1 | 159.6 | 452.4 | 612.1 | 172.0 |
| 1998/99 | 492.4 | 172.0 | N/A | 664.4 | 167.0 | 405.5 | 572.5 | 91.8 |
| 1999/00 | 795.5 | 91.8 | 0.0 | 887.3 | 209.6 | 503.0 | 712.6 | 174.7 |
| 2000/01 | 672.4 | 174.7 | 0.0 | 847.1 | 211.2 | 528.7 | 739.8 | 107.3 |
| 2001/02 | 794.8 | 107.3 | N/A | 902.1 | 239.3 | 581.8 | 821.1 | 80.9 |
| 2002/03 | 1,063.5 | 80.9 | N/A | 1,144.4 | 291.7 | 690.6 | 982.4 | 162.0 |
| 2003/04 | 1,011.1 | 162.0 | N/A | 1,173.1 | 312.2 | 712.1 | 1,024.3 | 148.9 |
| 2004/05 | 972.8 | 148.9 | N/A | 1,121.7 | 331.6 | 652.5 | 984.1 | 137.7 |
| 2005/06 | 888.7 | 137.7 | N/A | 1,026.4 | 303.9 | 610.4 | 914.2 | 112.2 |
| 2006/07 | 1,087.8 | 112.2 | N/A | 1,200.0 | 368.3 | 697.8 | 1,066.1 | 133.9 |
| 2007/08 | 1,358.3 | 133.9 | N/A | 1,492.2 | 394.8 | 866.4 | 1,261.2 | 231.2 |
| 2008/09 | 1,571.9 | 231.2 | N/A | 1,803.1 | 411.0 | 978.4 | 1,389.4 | 413.7 |
| 2009/10 | 1,379.0 | 413.7 | N/A | 1,792.7 | 449.5 | 1,022.0 | 1,471.5 | 321.3 |
| 2010/11 | 1,600.3 | 321.3 | N/A | 1,921.6 | 489.7 | 1,177.9 | 1,667.6 | 254.0 |
| 2011/12 | 1,979.9 | 254.0 | N/A | 2,233.9 | 546.7 | 1,351.9 | 1,898.6 | 335.2 |
| 2012/13 | 1,848.4 | 335.2 | N/A | 2,183.6 | 588.4 | 1,278.0 | 1,866.5 | 317.2 |
| 2013/14* | 1,794.5 | 317.2 | N/A | 2,111.7 | 536.5 | 1,313.5 | 1,850.0 | 261.7 |

Source: Almond Board of California. Note: Totals may not add precisely due to rounding.*2013/14 is estimated.

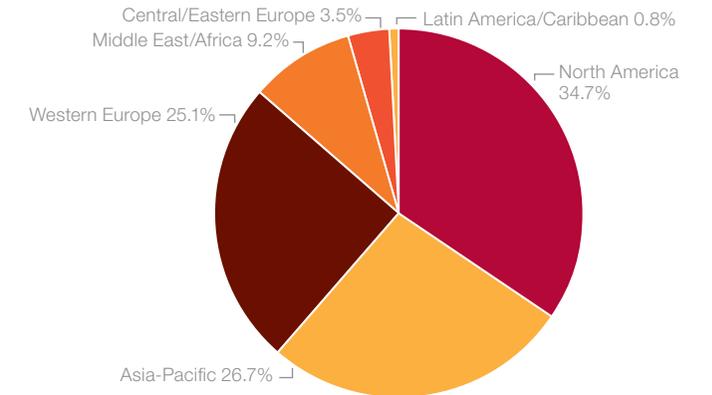
Destination Overview of California Almonds

Global Shipments by Product Type crop years 2008/09–2012/13



Source: Almond Board of California, July 2013 Position Report.

California Almond Shipments by Region 2012/13



Source: Almond Board of California, July 2013 Position Report.

Top World Destinations 2012/13



Top Ten Export Destinations* 2012/13

*Top ten export markets represent 73% of total export shipments.

Source: Almond Board of California, July 2013 Position Report.

World Destinations million pounds

| World Region | Destination | 2012/13 | 2011/12 | 2010/11 | 2009/10 | 2008/09 |
|-------------------------|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| AMERICAS | | | | | | |
| North America | United States (Domestic) | 588.40 | 546.71 | 489.68 | 449.50 | 410.99 |
| | Canada | 44.22 | 47.79 | 45.04 | 39.42 | 40.60 |
| | Mexico | 14.53 | 10.55 | 11.24 | 7.82 | 6.50 |
| | Total North America (Export) | 58.74 | 58.34 | 56.29 | 47.25 | 47.10 |
| | | | | | | |
| Latin America/Caribbean | Argentina | 0.74 | 0.25 | 0.80 | 0.50 | 0.02 |
| | Brazil | 1.89 | 0.53 | 0.72 | 0.80 | 0.54 |
| | Chile | 7.74 | 7.86 | 6.12 | 6.96 | 3.06 |
| | Colombia | 1.50 | 0.45 | 0.63 | 0.38 | 0.26 |
| | Peru | 0.99 | 0.73 | 0.52 | 0.40 | 0.14 |
| | Total Latin America/Caribbean | 14.44 | 11.06 | 10.36 | 10.07 | 5.14 |
| | TOTAL AMERICAS | 73.18 | 69.40 | 66.65 | 57.32 | 52.24 |
| ASIA-PACIFIC | | | | | | |
| Northeast Asia | China/Hong Kong | 208.18 | 236.19 | 167.55 | 133.04 | 99.70 |
| | Japan | 65.96 | 61.87 | 55.82 | 52.93 | 48.99 |
| | South Korea | 45.99 | 44.84 | 32.07 | 25.69 | 21.21 |
| | Taiwan | 10.90 | 11.77 | 10.49 | 7.06 | 6.05 |
| | Total Northeast Asia | 331.03 | 354.66 | 265.93 | 218.72 | 175.96 |
| | | | | | | |
| Southeast Asia | Indonesia | 2.33 | 1.72 | 1.40 | 1.38 | 1.37 |
| | Malaysia | 4.95 | 5.69 | 5.27 | 4.18 | 2.62 |
| | Singapore | 2.24 | 1.99 | 3.33 | 2.06 | 2.06 |
| | Thailand | 3.80 | 3.34 | 4.08 | 3.90 | 2.11 |
| | Vietnam | 15.44 | 17.53 | 2.91 | 4.27 | 0.91 |
| | Total Southeast Asia | 28.99 | 30.53 | 17.10 | 15.97 | 9.22 |
| South/Central Asia | India | 125.09 | 118.97 | 106.03 | 83.93 | 86.85 |
| | Kazakhstan | 0.70 | 0.35 | | | |
| | Pakistan | 4.06 | 5.67 | 6.43 | 4.86 | 4.29 |
| | Total South/Central Asia | 130.12 | 125.10 | 113.35 | 89.02 | 91.67 |
| | | | | | | |
| Australasia/Oceania | Australia | 5.81 | 4.14 | 2.13 | 2.47 | 2.23 |
| | New Zealand | 3.19 | 2.44 | 1.73 | 2.24 | 1.37 |
| | Total Australasia/Oceania | 9.01 | 6.58 | 3.86 | 4.71 | 3.61 |
| | TOTAL ASIA-PACIFIC | 449.14 | 516.88 | 400.24 | 328.43 | 280.45 |
| EUROPE | | | | | | |
| Western Europe | Belgium | 19.21 | 22.86 | 17.78 | 17.37 | 14.29 |
| | Denmark | 9.44 | 9.21 | 9.47 | 7.28 | 7.88 |
| | Finland | 1.04 | 1.33 | 1.45 | 2.82 | 1.29 |
| | France | 24.18 | 28.31 | 30.32 | 30.12 | 30.83 |
| | Germany | 121.03 | 116.52 | 113.16 | 109.04 | 105.69 |
| | Greece | 7.87 | 8.90 | 8.71 | 12.01 | 15.56 |
| | Italy | 37.22 | 45.27 | 43.07 | 34.64 | 37.33 |
| | Netherlands | 41.90 | 38.80 | 41.09 | 35.70 | 32.26 |
| | Norway | 4.73 | 5.68 | 4.20 | 4.76 | 4.59 |
| | Portugal | 1.73 | 1.85 | 2.94 | 2.51 | 1.48 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Source: Almond Board of California.

Notes: Totals may not add precisely due to rounding. Destinations that shipped more than 500,000 pounds are listed.



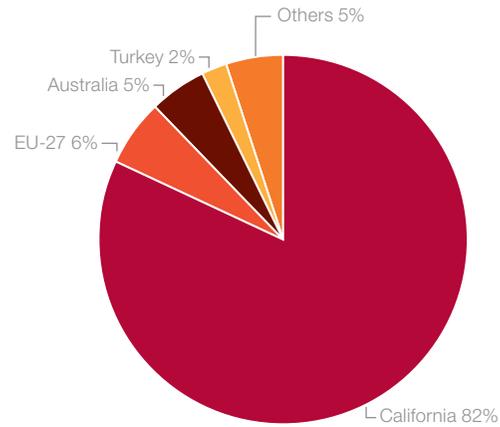
World Destinations (continued)

| World Region | Destination | 2012/13 | 2011/12 | 2010/11 | 2009/10 | 2008/09 |
|---------------------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| EUROPE continued | | | | | | |
| Western Europe | Spain | 158.52 | 156.99 | 158.34 | 143.36 | 158.62 |
| | Sweden | 7.94 | 8.44 | 7.47 | 6.35 | 7.17 |
| | Switzerland | 6.64 | 5.99 | 5.85 | 5.66 | 4.60 |
| | United Kingdom | 26.41 | 24.51 | 25.58 | 25.66 | 26.24 |
| | Total Western Europe | 468.34 | 475.42 | 470.33 | 438.23 | 448.50 |
| Central/Eastern Europe | Bulgaria | 1.96 | 2.63 | 1.17 | 0.67 | 1.12 |
| | Croatia | 1.57 | 1.99 | 1.90 | 2.69 | 1.16 |
| | Czech Republic | 3.50 | 3.73 | 4.25 | 4.78 | 3.68 |
| | Latvia | 2.19 | 1.88 | 0.88 | 1.20 | 2.90 |
| | Lithuania | 2.85 | 1.75 | 1.80 | 1.54 | 1.27 |
| | Poland | 2.14 | 2.95 | 2.65 | 1.51 | 1.52 |
| | Russia | 45.28 | 38.57 | 33.55 | 22.69 | 19.73 |
| | Serbia | 0.51 | 0.60 | 0.66 | 0.31 | 0.69 |
| | Ukraine | 3.32 | 2.16 | 1.80 | 1.09 | 1.22 |
| | Total Central/Eastern Europe | 65.63 | 59.80 | 51.87 | 39.90 | 35.16 |
| | TOTAL EUROPE | 533.97 | 535.22 | 522.20 | 478.13 | 483.66 |
| MIDDLE EAST/AFRICA | | | | | | |
| Middle East | Bahrain | 0.57 | 1.19 | 0.84 | 0.74 | 0.88 |
| | Cyprus | 1.38 | 1.30 | 1.14 | 1.42 | 1.23 |
| | Israel | 2.38 | 4.63 | 6.14 | 6.57 | 7.04 |
| | Jordan | 6.62 | 8.60 | 10.05 | 8.80 | 9.81 |
| | Kuwait | 3.31 | 3.02 | 2.76 | 2.37 | 2.15 |
| | Lebanon | 4.55 | 6.85 | 8.39 | 5.59 | 7.93 |
| | Saudi Arabia | 9.81 | 19.63 | 10.84 | 7.52 | 6.02 |
| | Turkey | 39.21 | 59.30 | 38.09 | 36.60 | 28.69 |
| | United Arab Emirates | 81.40 | 93.92 | 82.58 | 67.20 | 68.22 |
| | Total Middle East | 149.64 | 199.59 | 161.67 | 137.27 | 132.33 |
| North Africa | Algeria | 11.61 | 11.97 | 11.25 | 6.88 | 14.26 |
| | Egypt | 4.61 | 9.41 | 7.12 | 8.62 | 10.22 |
| | Libya | 0.79 | 1.18 | 1.04 | 0.13 | 1.08 |
| | Total North Africa | 17.59 | 25.57 | 23.01 | 17.81 | 27.19 |
| Sub-Saharan Africa | South Africa | 4.13 | 4.76 | 3.80 | 2.79 | 2.32 |
| | Total Sub-Saharan Africa | 4.53 | 5.25 | 4.13 | 3.00 | 2.47 |
| | TOTAL MIDDLE EAST/AFRICA | 171.76 | 230.41 | 188.81 | 158.08 | 162.00 |
| | TOTAL EXPORT SHIPMENTS | 1,278.05 | 1,351.91 | 1,177.89 | 1,021.96 | 978.36 |
| | TOTAL USA SHIPMENTS | 588.40 | 546.71 | 489.68 | 449.50 | 410.99 |
| | TOTAL GLOBAL SHIPMENTS | 1,866.45 | 1,898.62 | 1,667.57 | 1,471.46 | 1,389.34 |

Source: Almond Board of California.

Notes: Totals may not add precisely due to rounding. Destinations that shipped more than 500,000 pounds are listed.

Percentage World Almond Production 2012/13



Sources: Almond Board of California and INC (International Nut and Dried Fruit Council), *The Cracker 2013*.



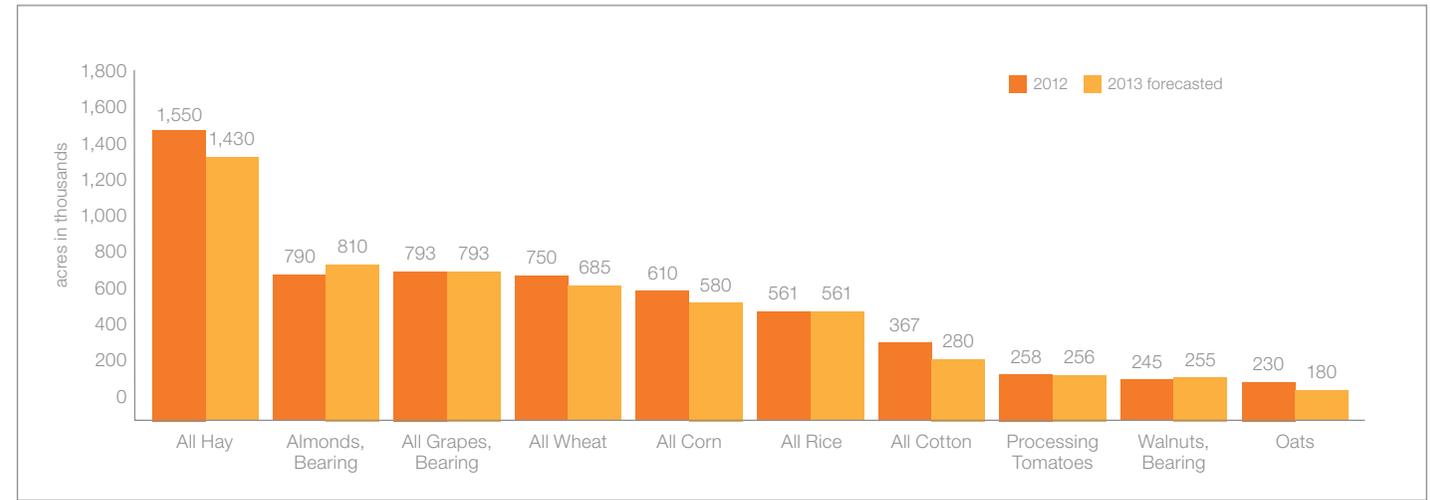
Forecasted World Almond Production 2013/14 (in millions of lbs.)

| Country | Beginning Stock | Crop | Total Supply | Ending Stock |
|--------------------|-----------------|----------------|----------------|--------------|
| USA | 317.2 | 1,850.0 | 2,167.2 | 261.7 |
| Australia | 2.2 | 152.1 | 154.3 | 0.0 |
| Spain | 4.4 | 70.5 | 75.0 | 2.2 |
| Turkey | 0.0 | 33.1 | 33.1 | 0.0 |
| Iran | 0.0 | 33.1 | 33.1 | 0.0 |
| Tunisia | 3.5 | 28.7 | 32.2 | 1.1 |
| Greece | 2.2 | 11.0 | 13.2 | 0.0 |
| Chile | 0.0 | 22.0 | 22.0 | 0.0 |
| Morocco | 1.1 | 13.2 | 14.3 | 0.0 |
| Italy | 1.1 | 11.0 | 12.1 | 0.0 |
| Others | 0.0 | 66.1 | 66.1 | 0.0 |
| World Total | 331.7 | 2,290.9 | 2,622.6 | 265.0 |

Sources: Almond Board of California and INC, *The Cracker 2013*.



California Top Ten Acreage by Crop total planted or bearing, crop year 2012/13

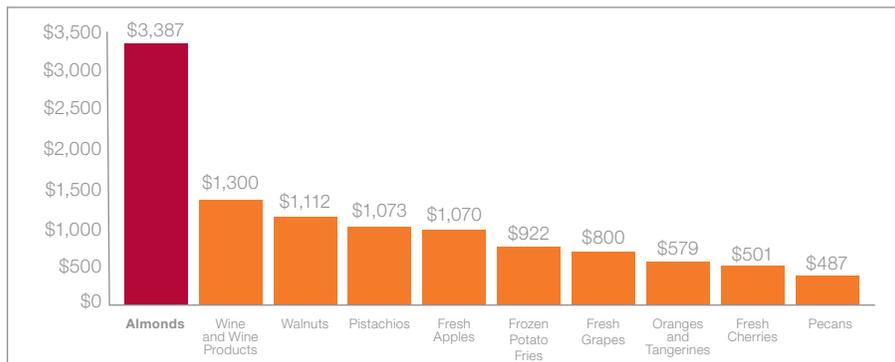


Sources: USDA, NASS/PRO. 2012 California Almond Acreage Report.



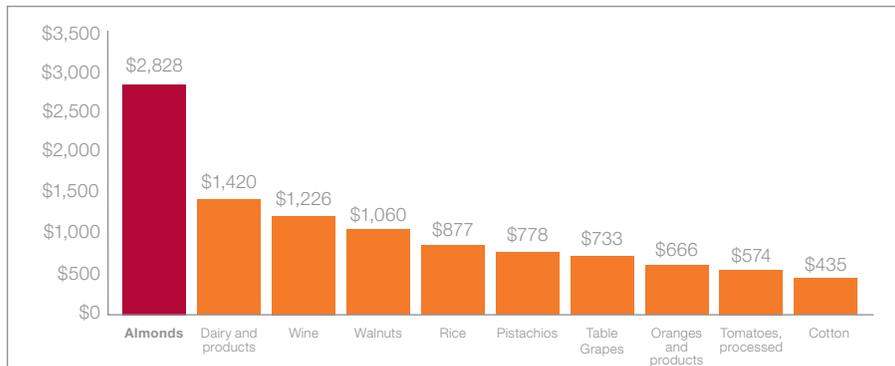
Top Ten Exports by Value

Top Ten U.S. Specialty Crop Exports by Value 2012* (in millions)



Source: Bureau of the Census, U.S. Department of Commerce, Foreign Trade Statistics.
*Calendar year January through December 2012.

Top Ten California Agricultural Exports by Value 2011* (in millions)



Source: University of California, Agricultural Issues Center.
*Calendar year January through December 2011.



California Almond Production by County million pounds

| Crop Year | Southern California Valley Counties | | | | | | | | Northern California Valley Counties | | | | | | All Others | Total |
|-----------|-------------------------------------|--------|------------|--------|--------|-------------|--------|-------|-------------------------------------|-------|-------|------|--------|--------|------------|---------|
| | Kern | Fresno | Stanislaus | Merced | Madera | San Joaquin | Tulare | Kings | Colusa | Glenn | Butte | Yolo | Tehama | Sutter | | |
| 2003/04 | 205.9 | 176.9 | 169.3 | 129.3 | 94.5 | 55.3 | 18.5 | 12.3 | 55.0 | 42.3 | 50.0 | 6.6 | 8.0 | 5.7 | 4.1 | 1,033.6 |
| 2004/05 | 215.8 | 173.5 | 163.9 | 127.6 | 93.4 | 51.0 | 20.4 | 13.0 | 38.0 | 37.2 | 45.0 | 4.7 | 6.9 | 4.6 | 2.9 | 997.9 |
| 2005/06 | 210.1 | 160.1 | 132.2 | 102.1 | 82.4 | 41.8 | 15.9 | 12.0 | 40.3 | 42.6 | 50.4 | 5.6 | 8.4 | 4.6 | 2.7 | 911.4 |
| 2006/07 | 247.8 | 232.7 | 163.6 | 124.6 | 100.1 | 55.6 | 21.5 | 17.7 | 50.8 | 38.4 | 41.8 | 6.3 | 7.7 | 4.9 | 3.8 | 1,117.3 |
| 2007/08 | 271.0 | 253.8 | 223.3 | 172.9 | 125.3 | 75.2 | 26.7 | 17.9 | 66.2 | 51.8 | 66.7 | 10.0 | 11.4 | 5.6 | 5.1 | 1,383.6 |
| 2008/09 | 354.3 | 322.2 | 240.6 | 187.3 | 142.7 | 82.1 | 36.2 | 23.4 | 86.0 | 48.6 | 56.9 | 10.4 | 9.7 | 5.3 | 5.2 | 1,611.0 |
| 2009/10 | 317.9 | 281.9 | 198.8 | 156.7 | 112.3 | 70.7 | 32.6 | 20.6 | 75.7 | 52.7 | 49.2 | 12.4 | 10.9 | 5.2 | 4.9 | 1,402.6 |
| 2010/11 | 403.5 | 344.2 | 202.5 | 164.2 | 149.7 | 68.0 | 42.4 | 29.9 | 83.0 | 55.8 | 47.1 | 13.6 | 11.7 | 4.9 | 6.0 | 1,626.6 |
| 2011/12 | 472.6 | 443.0 | 269.7 | 216.7 | 206.1 | 87.9 | 44.5 | 39.0 | 85.5 | 59.7 | 49.0 | 17.9 | 11.9 | 6.9 | 6.6 | 2,017.1 |
| 2012/13 | 393.4 | 413.6 | 261.8 | 201.4 | 203.5 | 91.5 | 49.1 | 30.7 | 85.1 | 57.9 | 50.9 | 18.1 | 12.5 | 7.0 | 7.5 | 1,884.1 |

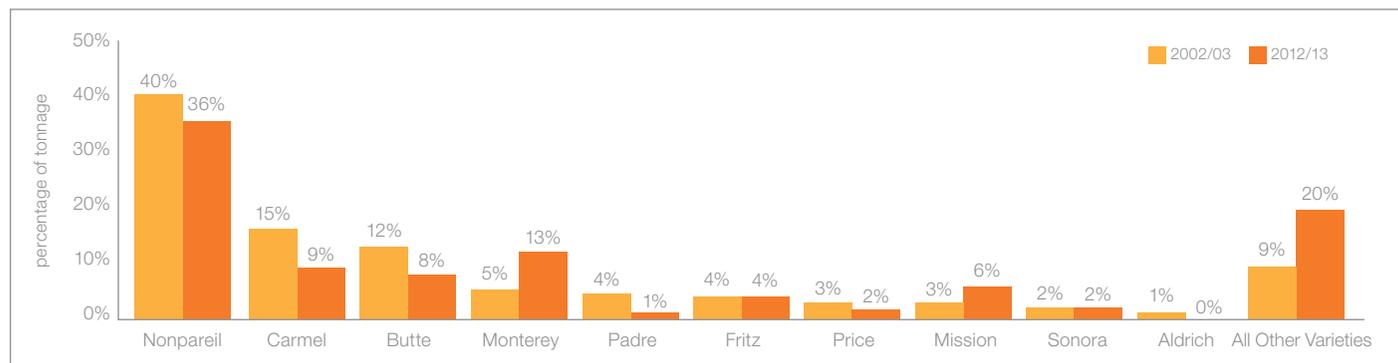
Source: USDA Form FV193, Report of Inedible Content of Almond Receipts.

California Almond Receipts by County + Variety crop year 2012/13

| Counties | % Crop | Nonpareil Lbs. | Monterey Lbs. | Butte/Padre Lbs. | Carmel Lbs. | Butte Lbs. | Fritz Lbs. | All Others Lbs. | All Varieties Lbs. |
|--------------------------|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| COAST COUNTIES | | | | | | | | | |
| Los Angeles | 0.00% | 70,406 | 0 | 0 | 0 | 0 | 0 | 0 | 70,406 |
| San Luis Obispo | 0.01% | 140,993 | 0 | 0 | 0 | 0 | 0 | 6,590 | 147,583 |
| COAST TOTALS | 0.01% | 211,399 | 0 | 0 | 0 | 0 | 0 | 6,590 | 217,989 |
| NORTH VALLEY | | | | | | | | | |
| Butte | 2.70% | 20,386,133 | 1,170,977 | 2,169,769 | 5,465,264 | 4,100,750 | 363,776 | 17,259,325 | 50,915,994 |
| Colusa | 4.52% | 33,966,277 | 6,463,806 | 1,015,723 | 10,415,236 | 12,404,487 | 5,601,404 | 15,210,225 | 85,077,158 |
| Glenn | 3.07% | 26,595,762 | 2,336,229 | 1,487,639 | 6,920,919 | 6,949,917 | 957,338 | 12,672,517 | 57,920,321 |
| Sacramento | 0.00% | 43,500 | 0 | 0 | 0 | 0 | 20,884 | 9,987 | 74,371 |
| Solano | 0.29% | 2,723,878 | 160,260 | 139,283 | 341,516 | 1,026,599 | 9,463 | 1,022,323 | 5,423,322 |
| Sutter | 0.37% | 1,644,686 | 292,792 | 1,093,443 | 580,049 | 748,801 | 50,885 | 2,629,789 | 7,040,445 |
| Tehama | 0.67% | 5,674,078 | 244,427 | 641,015 | 1,697,174 | 1,803,933 | 0 | 2,474,154 | 12,534,781 |
| Yolo | 0.96% | 6,791,224 | 1,132,617 | 847,747 | 1,686,751 | 2,969,155 | 555,571 | 4,112,469 | 18,095,534 |
| Yuba | 0.07% | 665,378 | 82,865 | 55,791 | 78,938 | 16,441 | 44,187 | 412,306 | 1,355,906 |
| NORTH TOTALS | 12.66% | 98,490,916 | 11,883,973 | 7,450,410 | 27,185,847 | 30,020,083 | 7,603,508 | 55,803,095 | 238,437,832 |
| SOUTH VALLEY | | | | | | | | | |
| Fresno | 21.95% | 143,454,572 | 66,200,447 | 47,230,179 | 26,064,637 | 38,993,702 | 21,348,641 | 70,319,667 | 413,611,845 |
| Kern | 20.88% | 139,937,509 | 77,024,384 | 38,744,588 | 13,709,372 | 33,986,752 | 37,496,453 | 52,466,612 | 393,365,670 |
| Kings | 1.63% | 10,005,877 | 4,582,235 | 9,237,360 | 1,000,972 | 574,677 | 2,291,927 | 3,002,592 | 30,695,640 |
| Madera | 10.80% | 71,749,498 | 35,545,951 | 29,208,544 | 17,623,218 | 9,774,597 | 9,050,804 | 30,541,729 | 203,494,341 |
| Merced | 10.69% | 70,310,721 | 19,176,350 | 24,733,775 | 26,463,126 | 13,445,502 | 10,071,548 | 37,228,589 | 201,429,611 |
| San Joaquin | 4.85% | 35,343,722 | 3,061,175 | 14,983,962 | 15,461,694 | 3,590,472 | 5,421,807 | 13,604,981 | 91,467,813 |
| Stanislaus | 13.89% | 93,015,920 | 19,126,109 | 35,814,639 | 41,419,924 | 13,518,051 | 11,498,738 | 47,404,917 | 261,798,298 |
| Tulare | 2.61% | 19,103,103 | 7,911,851 | 5,587,531 | 1,746,627 | 3,235,382 | 5,481,993 | 6,076,146 | 49,142,633 |
| SOUTH TOTALS | 87.31% | 582,920,922 | 232,628,502 | 205,540,578 | 143,489,570 | 117,119,135 | 102,661,911 | 260,645,233 | 1,645,005,851 |
| ALL OTHERS | | | | | | | | | |
| All Others | 0.03% | 190,587 | 18,495 | 143,324 | 0 | 45,594 | 0 | 75,663 | 473,663 |
| ALL OTHERS TOTALS | 0.03% | 190,587 | 18,495 | 143,324 | 0 | 45,594 | 0 | 75,663 | 473,663 |
| YTD TOTALS | 100.00% | 681,813,824 | 244,530,970 | 213,134,312 | 170,675,417 | 147,184,812 | 110,265,419 | 316,530,581 | 1,884,135,335 |

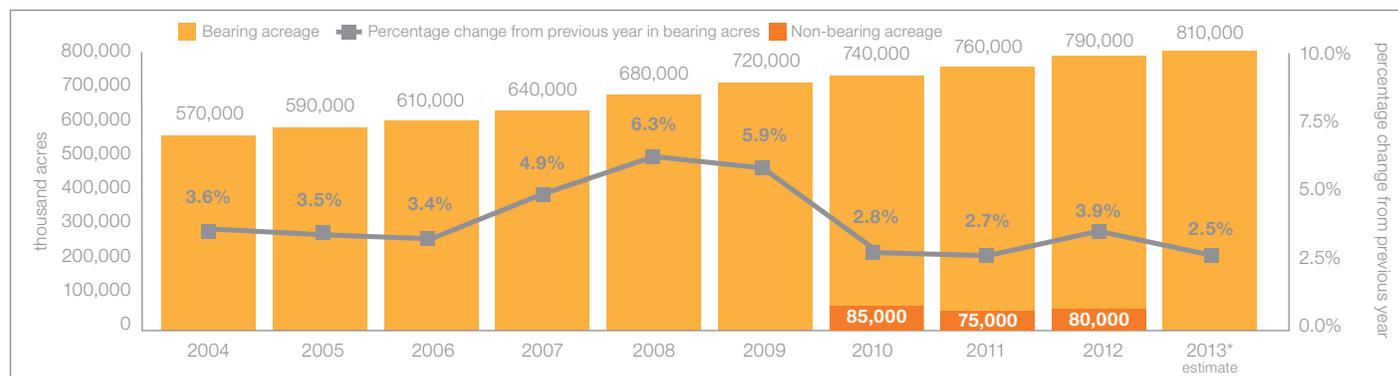
Source: USDA Form FV 193, report of Inedible Content of Almond Receipts.

Top Ten Almond-Producing Varieties 2002/03 vs. 2012/13 tonnage



Source: USDA Incoming Receipts from FV193 certificates reported to Almond Board of California.

California Almond Acreage crop years 2004-2013



Sources: USDA, NASS/PRO, 2012 California Almond Acreage Report.

*Note: 2013 non-bearing acreage estimate not available at time of publication.

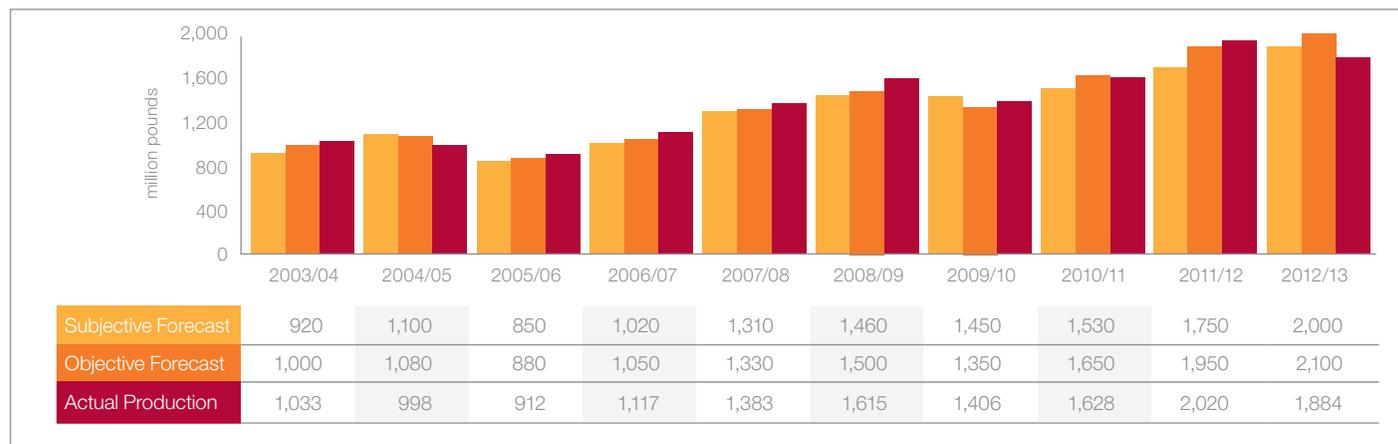
California Almond Crop Estimates vs. Actual Receipts million pounds

| Crop Year | Objective Forecast | Handler Receipts | Loss and Exempt | Redetermined Marketable Weight | Pounds Rejects in Receipts |
|-----------|--------------------|------------------|-----------------|--------------------------------|----------------------------|
| 1994/95 | 640.0 | 732.9 | 19.6 | 713.3 | 12.8 |
| 1995/96 | 310.0 | 366.7 | 14.4 | 352.3 | 10.4 |
| 1996/97 | 530.0 | 507.5 | 18.2 | 489.3 | 13.0 |
| 1997/98 | 680.0 | 756.5 | 19.7 | 736.8 | 14.3 |
| 1998/99 | 540.0 | 517.0 | 24.6 | 492.4 | 14.9 |
| 1999/00 | 830.0 | 829.9 | 34.4 | 795.5 | 9.3 |
| 2000/01 | 640.0 | 698.4 | 26.0 | 672.4 | 15.7 |
| 2001/02 | 850.0 | 824.1 | 29.3 | 794.8 | 16.7 |
| 2002/03 | 980.0 | 1,083.7 | 20.2 | 1,063.5 | 8.2 |
| 2003/04 | 1,000.0 | 1,032.9 | 21.8 | 1,011.1 | 19.8 |
| 2004/05 | 1,080.0 | 998.0 | 25.2 | 972.8 | 14.5 |
| 2005/06 | 880.0 | 911.7 | 23.0 | 888.7 | 16.0 |
| 2006/07 | 1,050.0 | 1,116.7 | 28.9 | 1,087.8 | 24.0 |
| 2007/08 | 1,330.0 | 1,383.0 | 24.7 | 1,358.3 | 17.2 |
| 2008/09 | 1,500.0 | 1,614.6 | 42.7 | 1,571.9 | 13.9 |
| 2009/10 | 1,350.0 | 1,405.9 | 26.9 | 1,379.0 | 19.6 |
| 2010/11 | 1,650.0 | 1,628.2 | 27.9 | 1,600.3 | 18.1 |
| 2011/12 | 1,950.0 | 2,020.4 | 40.5 | 1,979.9 | 16.1 |
| 2012/13 | 2,100.0 | 1,884.0 | 35.6 | 1,848.4 | 23.1 |
| 2013/14* | 1,850.0 | * | 55.5 | 1,794.5 [†] | * |

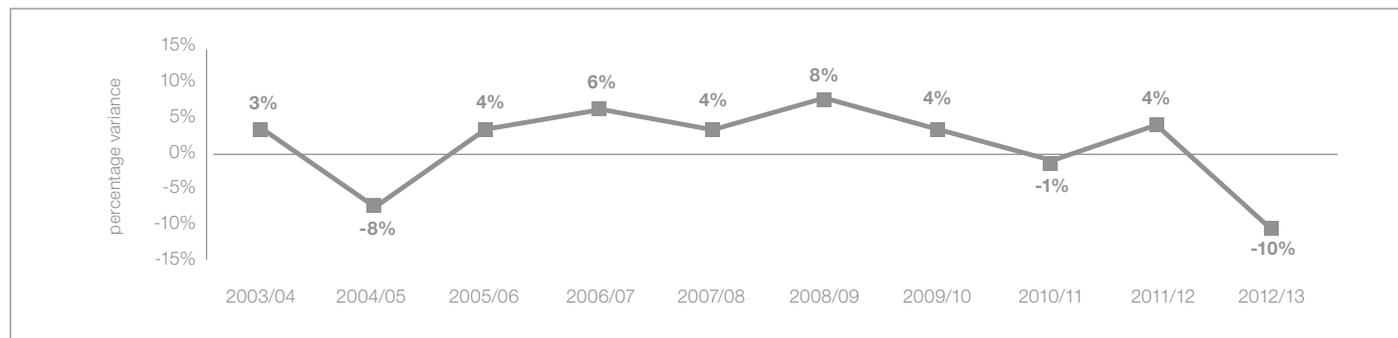
Source: Almond Board of California. Note: Objective forecast provided by USDA, NASS/PRO.
*Not available at time of publication. [†]Estimate.



California Almond Crop Estimates vs. Actual Receipts crop years 2003/04–2012/13



California Almond Receipts Variance from Forecast crop years 2003/04–2012/13



Source: Almond Board of California. Note: Objective forecast provided by USDA, NASS/PRO.

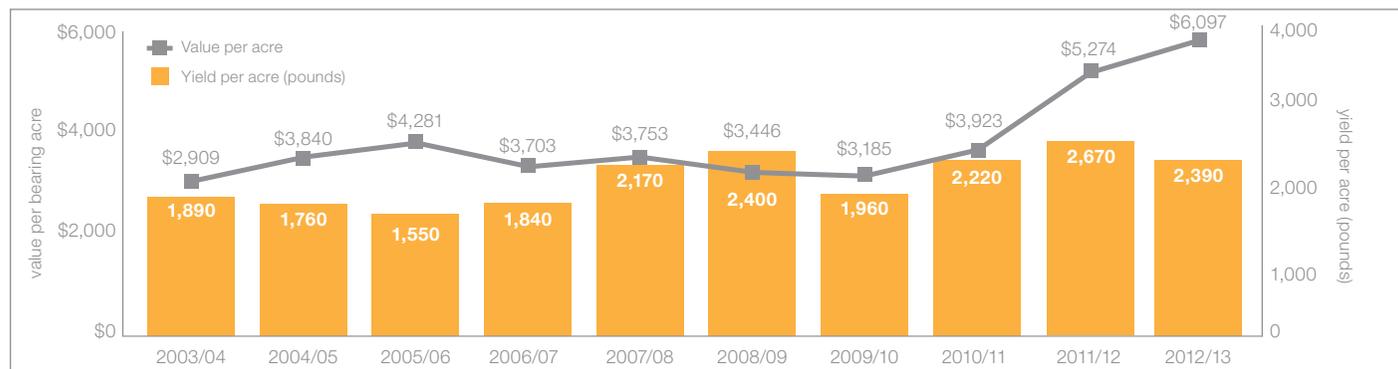
California Almond Acreage + Farm Value

| Crop Year | ACREAGE | | | | | YIELD | | VALUE IN DOLLARS | | |
|-----------|---------|-------------|---------|---------------|--------------------|---------------------------|----------------------------|------------------|----------------------|------------------------|
| | Bearing | Non-Bearing | Total | New Plantings | Average Trees/Acre | Bearing Acre Yield (lbs.) | Production* (million lbs.) | Farm Price | Farm Value (\$1,000) | Value per Bearing Acre |
| 2002/03 | 545,000 | 65,000 | 610,000 | 9,860 | 101.0 | 2,000 | 1,083.7 | \$1.11 | \$1,200,687 | \$2,203 |
| 2003/04 | 550,000 | 60,000 | 610,000 | 14,167 | 103.0 | 1,890 | 1,032.9 | \$1.57 | \$1,600,144 | \$2,909 |
| 2004/05 | 570,000 | 70,000 | 640,000 | 26,420 | 103.0 | 1,760 | 998.0 | \$2.21 | \$2,189,005 | \$3,840 |
| 2005/06 | 590,000 | 110,000 | 700,000 | 34,033 | 104.0 | 1,550 | 911.7 | \$2.81 | \$2,525,909 | \$4,281 |
| 2006/07 | 610,000 | 145,000 | 755,000 | 31,970 | 105.0 | 1,840 | 1,116.7 | \$2.06 | \$2,258,790 | \$3,703 |
| 2007/08 | 640,000 | 125,000 | 765,000 | 14,381 | 105.0 | 2,170 | 1,383.0 | \$1.75 | \$2,401,875 | \$3,753 |
| 2008/09 | 680,000 | 115,000 | 795,000 | 21,678 | 107.0 | 2,400 | 1,614.6 | \$1.45 | \$2,343,200 | \$3,446 |
| 2009/10 | 720,000 | 90,000 | 810,000 | 18,264 | 108.0 | 1,960 | 1,405.9 | \$1.65 | \$2,293,500 | \$3,185 |
| 2010/11 | 740,000 | 85,000 | 825,000 | 13,362 | 108.0 | 2,220 | 1,628.2 | \$1.79 | \$2,903,380 | \$3,923 |
| 2011/12 | 760,000 | 75,000 | 835,000 | 14,960 | 111.0 | 2,670 | 2,020.3 | \$1.99 | \$4,007,860 | \$5,274 |
| 2012/13 | 790,000 | 80,000 | 870,000 | 12,269 | 112.0 | 2,390 | 1,884.0 | \$2.58 | \$4,816,860 | \$6,097 |
| 2013/14† | 810,000 | ‡ | ‡ | ‡ | 112.0 | 2,280 | 1,850.0 | ‡ | ‡ | ‡ |

Source: USDA, NASS/PRO. Note: Almond Board of California does not track prices.
 *Production numbers provided by Almond Board of California. †Estimated. ‡Not available at time of publication.



Crop Value + Yield per Bearing Acre crop years 2003/04–2012/13

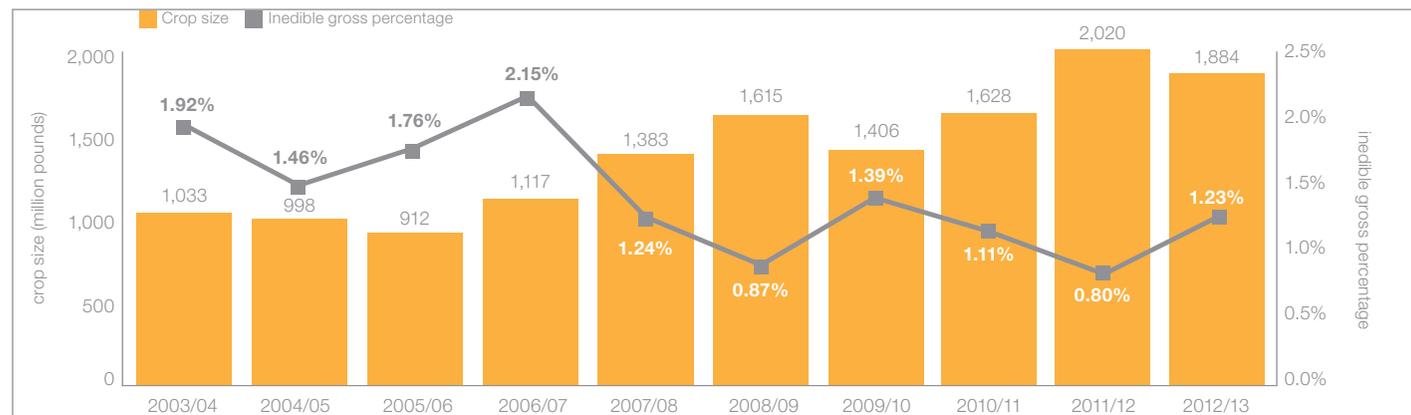


California Almond Production vs. Farm Price* crop years 2003/04–2012/13



Source: USDA, NASS/PRO. Note: Almond Board of California does not track prices.
 *Production numbers provided by Almond Board of California.

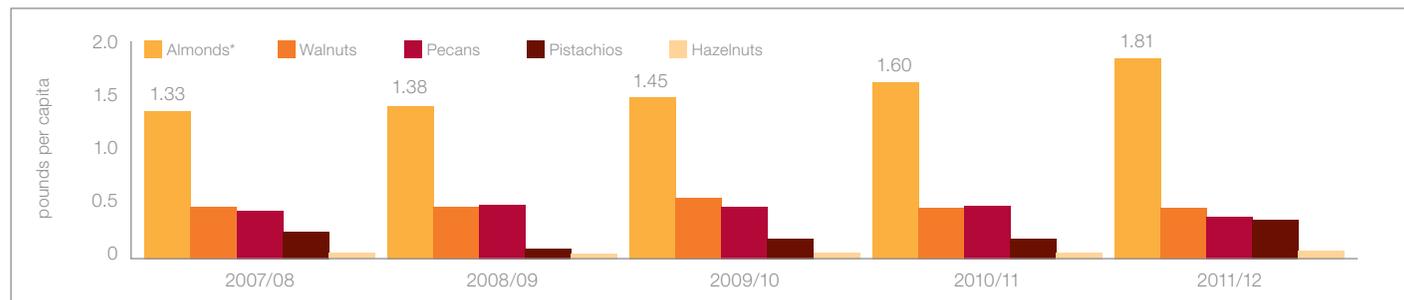
California Almond Crop-Size History vs. Inedible Percentage crop years 2003/04–2012/13



Source: Almond Board of California.



Competing Nuts: Domestic Per Capita Consumption crop years 2007/08–2011/12



Sources: USDA, Economic Research Service, *Fruit & Tree Nut Situation and Outlook*. *Almond Board of California.

Competing Nuts: U.S. Marketable Production + Imports million pounds (shelled basis)

| Crop Year | ALMONDS | | WALNUTS | | HAZELNUTS | | PECANS | | PISTACHIOS | | OTHER NUTS* | |
|-----------|---------|---------|---------|---------|-----------|---------|--------|---------|------------|---------|-------------|---------|
| | Crop | Imports | Crop | Imports | Crop | Imports | Crop | Imports | Crop | Imports | Crop | Imports |
| 2002/03 | 1,063.5 | 1.9 | 240.5 | 0.2 | 15.3 | 16.4 | 78.4 | 41.7 | 149.5 | 0.8 | 26.7 | 301.7 |
| 2003/04 | 1,011.1 | 2.8 | 281.5 | 0.4 | 29.5 | 10.9 | 117.0 | 62.7 | 56.2 | 1.5 | 21.2 | 352.4 |
| 2004/05 | 972.8 | 5.7 | 288.4 | 0.8 | 27.2 | 12.8 | 82.6 | 81.2 | 170.5 | 0.8 | 18.7 | 402.4 |
| 2005/06 | 888.7 | 9.2 | 288.2 | 1.1 | 20.0 | 12.1 | 125.3 | 75.4 | 139.0 | 0.9 | 51.4 | 334.9 |
| 2006/07 | 1,087.8 | 8.1 | 294.6 | 2.3 | 36.4 | 13.5 | 91.4 | 57.0 | 119.0 | 1.4 | 27.8 | 358.8 |
| 2007/08 | 1,358.3 | 7.1 | 295.0 | 9.0 | 28.6 | 13.4 | 180.3 | 79.9 | 207.0 | 0.9 | 16.4 | 378.3 |
| 2008/09 | 1,571.9 | 4.2 | 395.5 | 2.0 | 26.2 | 10.0 | 94.3 | 61.9 | 135.4 | 0.9 | 32.7 | 360.4 |
| 2009/10 | 1,379.0 | 5.6 | 381.5 | 3.2 | 37.4 | 8.0 | 127.5 | 80.1 | 174.8 | 1.3 | 19.1 | 366.4 |
| 2010/11 | 1,600.3 | 8.1 | 436.8 | 0.5 | 21.3 | 11.0 | 140.4 | 82.8 | 250.1 | 0.5 | 18.2 | 379.5 |
| 2011/12** | 1,979.9 | 15.9 | 406.2 | 4.9 | 30.3 | 9.7 | 124.6 | 74.7 | 301.7 | 0.9 | 22.3 | 333.1 |

Source: USDA, Economic Research Service, *Fruit & Tree Nut Situation and Outlook*. *Other Nuts includes brazil nuts, macadamia nuts, pine nuts, chestnuts, cashews and mixed nuts. **Preliminary.
Note: Marketable production is utilized production minus inedibles and noncommercial use.

2012/13 Competing Nuts data not available at time of publication due to October 2013 United States federal government shutdown.

Research Program Introduction

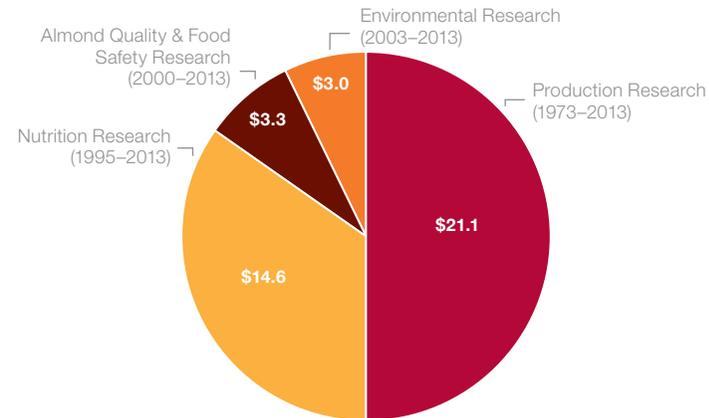
Almond Industry Research Priorities

Over the past 40 years the almond industry's research investment contributed to almonds as a favored crop for production and export. During this time our research funding increased, while public funding has decreased. Meanwhile environmental and food safety regulatory requirements are ever increasing; hence, we must remain innovative as we strive to achieve an environmentally sustainable almond supply. Current research priorities include:

- **Water:** Water availability and quality for the Central Valley continues to be uncertain. Those who rely on the state and federal water projects are aware of this, but those relying on groundwater will soon be facing similar pressures in many areas. ABC-funded research focuses on how to use available water wisely.
- **Environment:** The issue of nitrates in groundwater is at the forefront, but other issues loom. The use of crop protection materials, the required introduction of new engine technology, and the reduction of NOx emissions by 80 to 90% in the valley all require ongoing research and adaptation.
- **Pollination and Bee Health:** The primary focus is on healthy hives, which includes honey bee nutrition, effective management of bee pests and diseases, improving honey bee breeding stock and assessing the impact of pesticides used on almonds.
- **Pest Control:** To date, research focused on improving efficiency, maintaining quality, advancing integrated pest management and minimizing environmental impact. Now our efforts must also address shifts in pest populations, emerging pests and invasive species. Changing regulations require more sophisticated, targeted application technology.
- **Almond Quality:** Expand our present knowledge of the impact humidity and temperature has on almond shelf stability and shift research focus to shelf-life to evaluate raw and roasted almonds in various package conditions.

- **Food Safety:** Ongoing need to better understand the risks of microbial contamination and the most effective controls. This commitment to food safety research and preventive control programs is a cornerstone for the almond industry and will help us to address new federal requirements under the Food Safety Modernization Act.
- **Nutrition and Health:** At a strategic planning session this summer the potential role that regular almond consumption could play in the area of wellness and vitality was identified as a new long-term priority in addition to weight management and cardiometabolic health.

ABC Research Investment 1973–2013 over \$42 million



Source: Almond Board of California.

Production + Environmental Research

Honey Bee Health Stewardship

Recently honey bee health decline has been in the public spotlight. Almonds rely on honey bees for pollination and the California Almond community recognizes the essential role bees play in sustaining the global food supply. Almond Board of California has invested more money in bee research than any other U.S. commodity. This research is being used on an ongoing basis in the improvement of best management practices for both growers and beekeepers.

Recent news articles reference a report from the National Stakeholders Conference on Honey Bee Health held in October 2012. In short, that report separated the issues impacting the overall health of bees into four main categories: (1) nutrition, (2) pesticides, (3) parasites/pathogens and (4) genetics/biology/breeding.

In fact, since 1995 ABC has invested nearly \$1.3 million in honey bee health research in these four areas. During the last several years, the primary focus of this research has been healthy hives, which includes improving honey bee nutrition, effective management of bee pests and diseases, improving honey bee breeding stock and assessing impacts of almond-used pesticides. ABC, in collaboration with Project Apis m., USDA, the University of California, beekeeper organizations and other groups, has supported research and developed best management practices in these categories for growers

and beekeepers alike. A key goal is to ensure almond orchards continue to be, based on research and our efforts, a good, safe place for honey bees to forage—a place that keeps them healthy and where hives increase in size.

Some key areas of support include:

- Improving genetic diversity in honey bees
- Encouraging almond growers to provide blooming plants or “bee pasture” as food sources for honey bees
- Advancing “Integrated Crop Pollination,” an approach that integrates honey bees, other managed pollinators like the Blue Orchard Bee, and bee pasture for almond pollination
- Developing tools to control Varroa mites and other bee pests
- Understanding the potential impact of pesticides used in almonds on honey bee development
- Developing in-hive supplemental diets for bees
- Supporting outreach teams that have implemented diagnostic and integrated pest management (IPM) programs for beekeeping operations, resulting in better control of beehive pests with fewer chemicals



Blooming plants provide food for bees after almond bloom and before hives are moved to other locations.



Holding yards for bees prior to almond bloom.

Production + Environmental Research continued

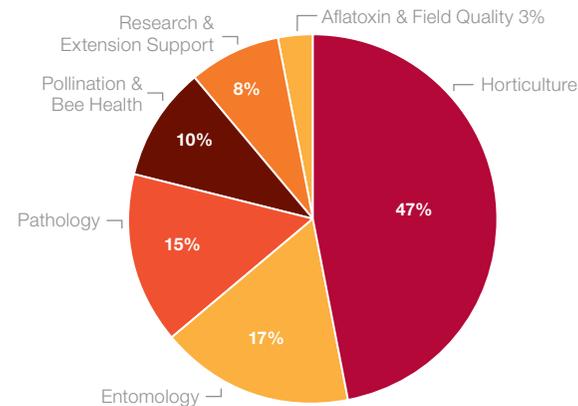
Environmental Excellence

To address the complex environmental regulatory concerns facing almond growers, the Environmental Affairs Program focuses on research and environmental regulatory issues. In response to the concern about nitrates in ground water, we have increased the outreach on improved methods for assessing nitrogen needs in almonds based on five years of research jointly funded by the Production Research and the Environmental Committees and USDA. ABC has initiated projects to better understand how nitrogen fertilizer practices and ground water interact, along with a project to better understand the impact of organic matter sources of nutrients such as composted manures, compost, etc. on soil and water quality. The environmental stewardship of almond growers was highlighted in a tour for regulators in May; and outreach to growers continues via the California Almond Sustainability Program (see pages 40 and 41).

Production Research Key Areas 2012/13

Current production research investigations and support is aimed at increasing production efficiency and grower return, maintaining quality, minimizing environmental impact and ensuring sufficient research and extension capacity from public institutions to meet California Almond needs. Examples include nitrogen use and fertility; developing biorational pesticides; targeted sprayer application; numerous efforts to reduce the need for replant fumigation; developing a “water production function” for more efficient irrigation by assessing yields vs. various levels of water applied; late spring and summer disease control along with fungicide resistance management; weed control; harvest best practices to ensure quality; and pollination/honeybee health studies. A new element in our program is research and extension support, which counters declines in public funding for research. This has two components: (1) providing start-up support for new UC Cooperative Extension faculty to pursue projects important to almonds, and (2) support for a UC almond-pomology farm advisor intern program.

Production Research key areas 2012/13



Grower Gordon Heinrich (back) explains almond growing to a group of government regulators during the Environmental Stewardship Tour.

Almond Quality + Food Safety

Almond Quality:

Major California Almond Varieties Have Similar Nutrient Composition

Almond Board of California funded a multi-harvest and multi-orchard study to better understand how variety, harvest year and growing region impact the natural variability in composition within and among almond varieties. A recently published paper clearly shows the similarity in nutrient profiles for seven major California Almond varieties. These profiles include 20 macronutrients and micronutrients, and represent averages from three harvests. The total fat and dietary fiber contents of all varieties were not significantly different.

Source: Yada S, Huang G, Lapsley K. 2013. "Natural variability in the nutrient composition of California-grown almonds." *J Food Comp Analysis* 30(2):80–85.

Food Safety:

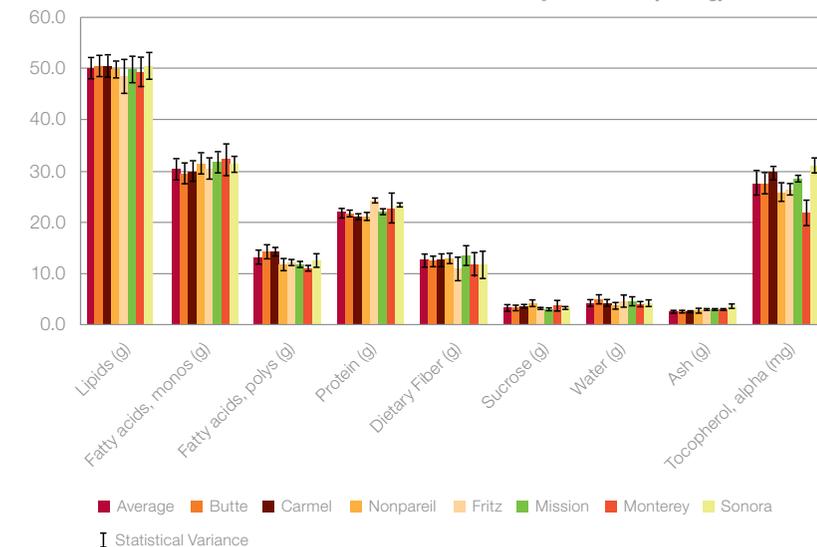
Biocontrol of Aflatoxin

Results from a multi-year study underway (through the University of California, Davis) may soon yield a new tool for growers to combat aflatoxin development in the orchard. The atoxigenic strain of *Aspergillus Flavus*, AF36 is in the second year of commercial use in the pistachio industry. When applied to orchards, AF36 displaces the aflatoxin-producing strains, thus reducing the level of aflatoxin in the product. Field trials in almonds, currently underway at the Nickels Soil Lab in Arbuckle, California, show the effectiveness of AF36 in displacing toxigenic strains. Next steps will include commercial orchard field trials, and then scale up for commercial application.

Continued advancements in food safety technology and implementation steps will help us to build a quality reputation among our buyers, food manufacturers and ultimately the consumers around world.

Note: Study courtesy of Mark Doster & Themis Michailides University of California, Davis.

Nutrient Content of California Almond Major Varieties (1/100g)



Nutrition Research

The research from the UK and U.S. shows that almond snacking may help to keep feeling full, longer.

Over the past year, Almond Board of California outreach programs in the U.S., Canada, Western Europe and Asia have continued to make great strides toward positioning almonds as a delicious, nutritious and essential food, especially at snack time, based on sound science. Health is a key almond message, especially for snack products that leverage being natural, having no cholesterol and providing protein for satiety. In 2013, two research projects were completed that show almond snacking may contribute to satiety, the sensation of feeling full longer. The first study was done in the UK with 32 healthy women who consumed three different doses of almonds (0/control, 28g/1 oz, 42g/1.5 oz) as a mid-morning snack on three occasions, each separated by two weeks, to determine the impact of the different doses on satiety and subsequent calorie intake. The study showed that consuming almonds as a snack 1.5 hours before lunch can have an effect on satiety, and with the 42g/1.5 oz portion, the effect may continue throughout the day.

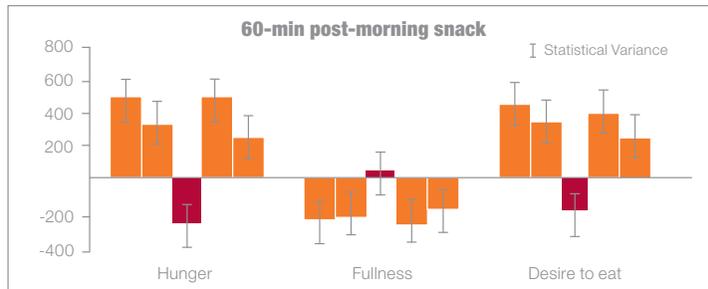
The second study at Purdue University involved 137 adults, 18–60 years, for a four-week randomized, controlled trial and was published in fall 2013. The study focused on the impact of 43g/1.5 oz of almonds consumed daily as a snack on blood glucose levels, measures of hunger and appetite and weight. They separated into four diet intervention groups (with breakfast or lunch, as a morning or afternoon snack) and a control group. Eating almonds as a snack reduced hunger as well as “desire to eat” levels during these acute feeding sessions. In addition to these measurements, it was noted that there was no weight gain over the four weeks of this study. It appears that the participants naturally and spontaneously compensated for the additional daily calories provided by the almonds. Of note, an additional finding was that including 43g of almonds per day significantly improved alpha-tocopherol (vitamin E) and monounsaturated fat (MUFA) intake. This is important since reported intake was below the recommended 15mg/day for all groups at the beginning of the study, but met recommended levels by the end of the study in the almond groups.

Source: Tan, S.-Y., R.D. Mattes. 2013. Appetitive, dietary and health effects of almonds consumed with meals or as snacks. *Eur. J. Clin. Nutr.* 67:1205-1214.

Scientific evidence suggests, but does not prove, that eating 1.5 ounces per day of most nuts, such as almonds, as part of a diet low in saturated fat and cholesterol may reduce the risk of heart disease. A one-ounce handful has 13g of unsaturated fat and only 1g of saturated fat.

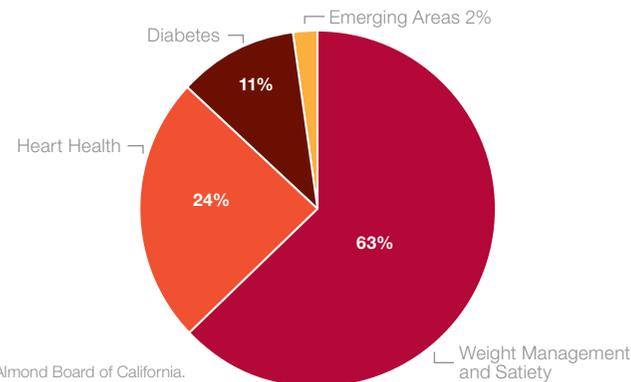
Postprandial Appetite Ratings of almonds

The chart below reflects the changes in hunger, fullness and desire to eat after a morning snack session. (Tan + Mattes, 2013).



Reading the chart from left to right, the red colored bars indicate that study participants were statistically significantly less hungry, felt fuller and had less desire to eat after the morning almond snack than other times that day.

Nutrition Research Key Areas 2012–2013

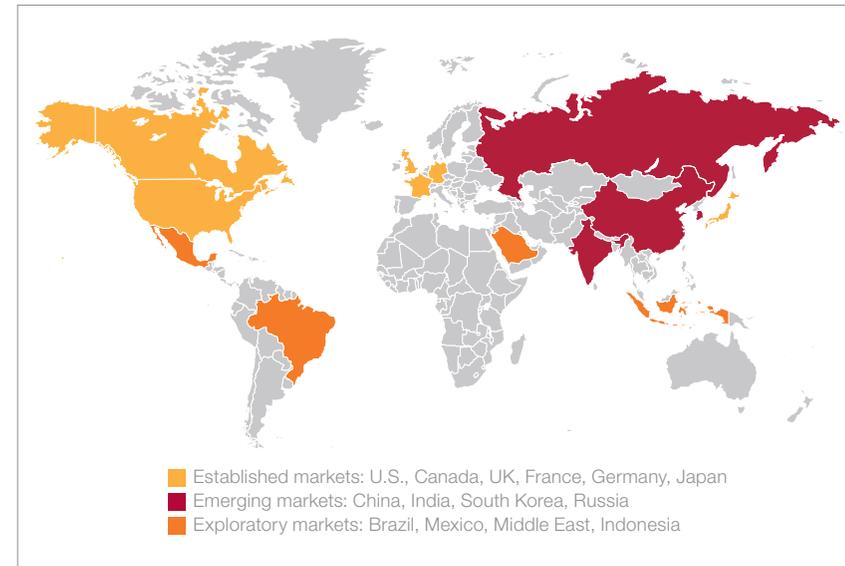


Source: Almond Board of California.

Global Market Development Overview

Driving demand for California Almonds is one of the main objectives of Almond Board of California. We use consumer research, shipment data and socioeconomic trend analysis to identify market opportunities for demand growth. With abundant opportunities all around the world, one of our most important principles is to provide focus through prioritization to ensure that limited resources are applied to a few select, high potential programs. Then we have to be patient; changing consumer perceptions and purchase behavior can take time, so it's important to stick with the plans to ensure the maximum return on investment.

Part of the strategy is to balance risk and reward by investing in growth opportunities in both established and emerging markets. Over the last several years there has been solid, stable growth in established markets, such as the U.S. and Canada, where consumers continue to show increased awareness and interest in healthy eating options. In emerging markets, such as China and India, despite recent shipment volatility, there has been substantial long-term growth, and there continues to be strong future potential due to a burgeoning middle class with greater disposable income. Our market development plans for each region include elements for market access, consumer marketing and trade stewardship, each outlined in the following pages.



Marketing Overview

Around the world, Almond Board of California's marketing programs include a mix of advertising, public relations and social media. However, market research is the foundation of our marketing programs, and we apply a disciplined approach to uncovering insights in each market to identify our key marketing strategies. Additionally, we ensure ongoing research is in place to track and optimize our marketing efforts.

In 2013, we conducted the Global Perceptions Report which was used to monitor almond attitudes, awareness and usage across key global markets. As you can see, almonds were either the top nut, second nut, or third nut mentioned across all key measures. Furthermore, nearly 80% of global respondents believe almonds deliver well on being natural, great tasting and nutritious. The following is a snapshot of key findings from the report.

See a sample of our ongoing consumer social media, advertising and public relations efforts from our established and emerging markets on pages 31–35.



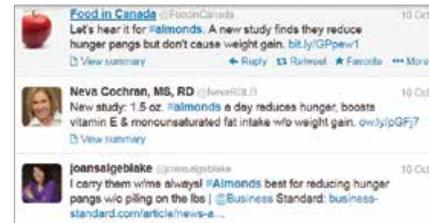
| Total Sample (n=5,500) | Top Nut | Second Nut | Almond Rank |
|---|---------------|------------|-------------|
| Awareness | | | |
| Top-of-Mind – First Mention | Walnuts | Peanuts | #3 |
| Positive Story, Almonds – Percentage of Total | Walnuts | Almonds | #2 |
| Almonds as First Mentions in Chocolate | Hazelnuts | Almonds | #2 |
| Almonds as First Mentions in Bakery | Almonds | Walnuts | #1 |
| Almonds as First Mentions in Snacks | Peanuts | Cashews | #3 |
| Attitudes | | | |
| Almond Liking (% Top 2 Box) | Cashews | Almonds | #2 |
| Almond Nutrition (% Top 2 Box) | Walnuts | Almonds | #2 |
| Almond Delivery on... (% excellent/good) | | | |
| Natural | 80% | - | - |
| Great Taste | 76% | - | - |
| Nutritious | 76% | - | - |
| Usage | | | |
| Heavy Users | Peanuts | Almonds | #2 |
| Almonds Eaten Most as a Snack | Peanuts | Almonds | #2 |
| Almonds Eaten Most in Other Foods | Almonds | Walnuts | #1 |
| Time of Day for Almond Snacking | Afternoon | - | - |
| Almond Form for Snacking | Whole Natural | - | - |

Source: Global Perceptions Report, 2013.

Social Media Overview

2013 was a big year for Almond Board of California and social media as we continued to centralize our efforts worldwide while maintaining regional direction over social content and communities. In 2013/14, ABC doesn't plan to slow down as we're launching a new European social media program, we've launched on Instagram in NA (follow CaliforniaAlmonds) and plan to launch on Pinterest, and in South Korea, we'll launch a blog on Naver.com (the country's largest search engine). Below is a snapshot of our social media efforts in 2013.

January 2013: North America launched on Twitter
 NA Twitter activity leverages Twitter's "in the now" mentality as an information source to share the hottest almond news, recipes and trends. Join the conversation, #almonds and #crunchon.
Twitter: @almonds



July 2013: South Korea launched on Facebook + Twitter
 The region uses both platforms to share new and interesting information, leveraging strategic insights on the benefits of snacking on almonds.
Facebook: facebook.com/almondsKR
Twitter: @almondsKR



2013: North America expanded on Facebook
 ABC strategically expanded the total number of fans by testing Facebook ads, resulting in growing the fan base by 1,600% and improving engagement rates.
Facebook: facebook.com/californiaalmonds



August 2013: China Market Activity
 ABC partnered with a dedicated digital agency to oversee our Weibo, WeChat (美国加州巴旦木) and website presence in the China market. The current focus is on enhancing fan interaction and strategically growing these social communities.
Weibo: http://weibo.com/californiaalmonds



Weibo



WeChat

Consumer Advertising Overview

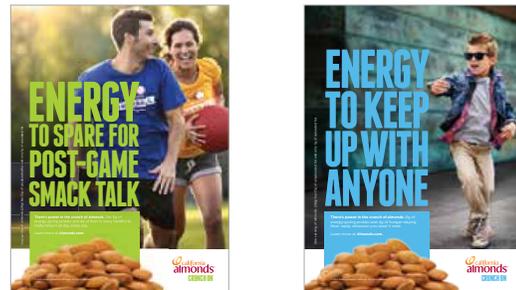
Almond Board of California continues to expand its advertising efforts around the world. In 2013, North America launched a new campaign encouraging people to #CrunchOn. China continued to expand the *Young at Heart* campaign to a variety of out-of-home outlets, reaching consumers at key snack times. The UK *Handbag* campaign has been customized for the French market. And India refreshed the existing *Everyday Heroes* campaign to showcase the traditional usage of almonds, but with a modern twist.

Snapshot of Global Consumer Advertising

| Region | Media | Creative |
|---------------|---|---|
| North America |    |     |
| China |    |   |
| India |   |   |
| UK |    |     |
| France |  |    |

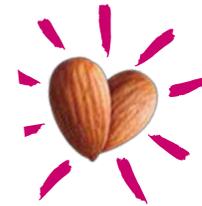


North America Consumer Advertising 2013 launch



"Crunch On" is the tagline of a new print, TV and online ad campaign in North America that intends to maintain interest among heavy almond consumers and grow consumption among light consumers. It leverages the insight among heavy consumers that almonds have "crunch power"—the satisfying and lively crunch that unleashes the nutrition people need to be their best and help them stay on their "A" games. The new executions portray people embracing a variety of life situations with energy and passion, powered by the crunch of California Almonds.

China Consumer Advertising 2012–present



The China *Young at Heart* campaign extended their print advertising to banner and video ads displayed in subways, residential/office elevators, taxi cabs and other media, reaching a captive consumer audience at key snack times throughout the day. The *Young at Heart* campaign demonstrates to consumers the idea of "perpetually feeling good" by showcasing a healthy lifestyle in a fun and youthful way.

India Consumer Advertising 2012–present



The new broadcast commercial from the *Everyday Heroes* campaign launched in December 2013 and highlights a mother providing almonds to her children to help them succeed in whatever they do. Advertorials continue to be used as a tool to feature lesser-known benefits of almonds. The campaign now covers the northern, western and southern regions of India.

UK Consumer Advertising 2012–present



Print and online advertising began running in the UK in 2012 and positions almonds as an on-the-go essential snack. Out-of-home advertising at Waitrose stores also grabbed the attention of consumers in an effort to keep almonds top of mind as they geared up to shop for their groceries.

France Consumer Advertising 2013 launch



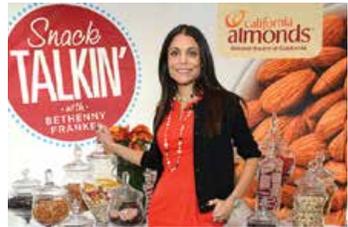
The print *Handbag* campaign in France launched in 2013 to position almonds as an on-the-go essential snack. Extending into the online space, an integrated digital campaign will launch on January 1, 2014.

Consumer Public Relations Overview

The Almond Board of California's global consumer public relations programs include an integrated mix of celebrity endorsements, sponsorships, media partnerships and PR. Below are a few key highlights from 2013.

Celebrity Endorsements

In the North America market, TV talk show host and "Skinny Girl" Bethenny Frankel and ESPN's Mike Golic—from *Mike and Mike in the Morning*—reiterate the many reasons why almonds are a great snack.



Bethenny Frankel



Mike Golic



Zoe Ball

In Europe, English TV and radio personality Zoe Ball launched the #SnackHappy challenge and Tracy Anderson helped spread the word about almonds as a snack in France.



Tracy Anderson



BBC's Britain's Favourite Supermarket Foods

Noteworthy Media Coverage

U.S. Spokesperson Chris Powell was featured in the issue of *USA Weekend* last spring and following the 2012 press release of the almond calorie research, a 10-minute primetime TV almond experiment aired on BBC's *Britain's Favourite Supermarket Foods*. Further, the India team garnered strong media coverage after hosting media events with local celebrity chefs and nutritionists in four key markets.



Chris Powell



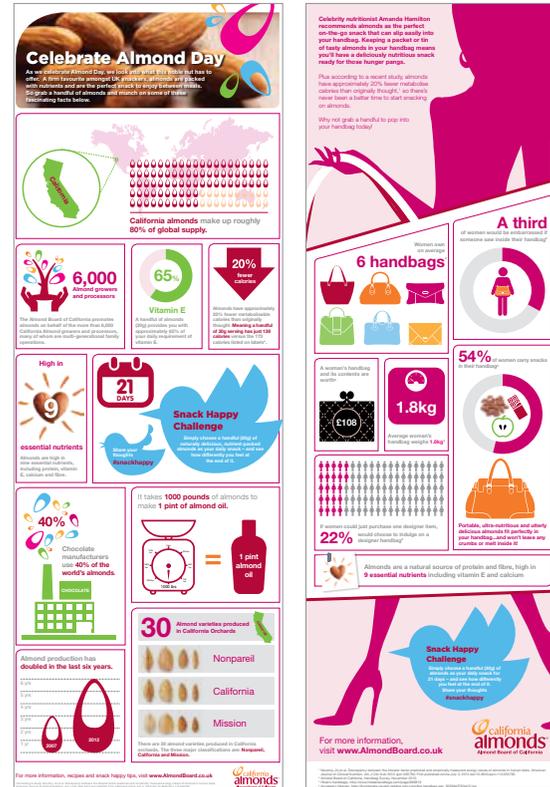
India media coverage



Consumer Public Relations Overview (continued)

Media Outreach

The EU team distributed a variety of infographics throughout the year as a new way to present groundbreaking research to the media outlets.



Sponsorships + Certifications

ABC sponsored a primetime TV hit drama series in Korea, which enabled California Almonds to be integrated into the storyline as a good snack choice for the main characters. One episode was filmed on location in an almond orchard.



Since 2011, the North American program has been leveraging the AHA's consumer-trusted Heart-Check mark in its communication programs. Almond handlers can receive a discount from ABC's certification.



Heart-Check mark

EU infographics

Trade Stewardship Program

Almond Board of California is committed to educating food professionals around the globe about the many benefits of using almonds as an ingredient in new products and menu items. Trade Stewardship leads the way in educating these individuals through their presence at trade shows, seminars and through regular public relations and advertising outreach. These programs, coupled with informational webinars, all support the use of almonds as an ingredient in the key categories of snacking, chocolate and cereal.

Trade Shows

Institute of Food Technologists (IFT)

At IFT, ABC highlights the many reasons almonds are an essential ingredient to the food technology audience through almond demonstrations, sponsored events and hosted scientific sessions.



Russia Trade Seminar

The Russia Trade Seminar, held in Moscow, provided us with an opportunity to share the latest nutrition and technical research with more than 110 in-person participants and more than 150 online participants. Attendees included senior managers, marketing and product development managers, food technologists and trade media.



SIAL 2012

Held in Paris, SIAL is the world's #1 food exhibition, which focuses on major challenges facing food professionals around the globe. ABC's outreach spanned the event, educating participants about the quality, versatility and stability of California Almonds.



Advertising + PR Program

In 2013, the new food professional campaign, *Almonds, of Course*, launched in both print and online. The creative focuses on highlighting almonds as an essential ingredient in the key categories of snacking, chocolate and cereal and is showcased in trade media in North America, the EU and Asia. PR efforts continued across regions as they regularly reinforce the many benefits of using almonds as an ingredient to trade media.



Trade Stewardship Program (continued)

Global Research

Trade Stewardship is rooted in research and this year, the Global Chocolate Study found that worldwide, almonds were the #1 ingredient selected for inclusion in consumers' ideal chocolate products.

2013 Global Chocolate Study: Create Your Own Chocolate Bar

Respondents were asked to create their ideal chocolate product. Study results are showcased below.

| CHOCOLATE TYPE (select at most two) | FILLINGS + FLAVORS | FRUIT PIECES | NUTS | OTHER |
|--|--------------------|----------------|--------------------|----------------|
| Milk 64% | Caramel 30% | Coconut 24% | Almonds 43% | Wafer 19% |
| Dark 46% | Strawberry 21% | Raisins 24% | Hazelnuts 36% | Biscuit 19% |
| White 19% | Coffee 19% | Strawberry 24% | Walnuts 32% | Crisp Rice 18% |
| | Honey 19% | Cherries 21% | Peanuts 29% | Toffee 17% |
| | Nougat 18% | | Cashews 27% | |
| | Peanut Butter 17% | | Pistachios 22% | |

Other Trade Stewardship News

The Chinese name for California Almonds changed in late 2012. This change was due to the new Chinese labeling standards initiated by a Chinese industry association. ABC has been working to understand the implications and promote the new Chinese name for California Almonds (美国加州巴旦木) while continuing to promote almonds as a delicious and wholesome snack.

| Chinese Name | U.S. Translation | Notes |
|-------------------------------------|-----------------------------|--|
| 美国大杏仁 Meiguo Da Xing Ren | American Big Apricot Kernel | Previous product and business name |
| 美国加州巴旦木 Meiguo Jiazhou Ba Dan Mu | U.S. California Almonds | Current product name ABC is promoting* |
| 美国巴旦木 Meiguo Ba Dan Mu | U.S. Almonds | Alternative name (short version) |

*Multiple names are acceptable in the China market. ABC has selected Ba Dan Mu based on the rationale for the name change and consumer research.



Food Ingredients China trade show, 2013



Market Access

The myriad challenges facing the almond industry have become even more complex, given the agricultural regulatory environment growers have to operate under and the evolving legislative landscape in the countries where almonds are shipped. Developing factual information on the implications of these issues has become an essential component of Almond Board of California's efforts, ensuring both industry and key government stakeholders are educated on those issues affecting the economic well-being of California Almond growers.

Initiatives this year include:

- **Pre-Export Certification in Europe:** Working with USDA, the California Almond industry has requested that aflatoxin analysis and certification issued by USDA-approved labs be accepted in Europe. Once confirmed, California Almonds would be only the third commodity to be recognized under the Pre-Export Certification program, which is anticipated to mean that less than 1% of shipments from California would be controlled at the EU border. It's expected that recognition will be finalized in 2014.
- **MRL Harmonization:** ABC has provided comments on the importance of various chemical tools currently under review by EPA and various countries, stressing the scientific data supporting current pesticide tolerances as well as the implications of their elimination. Working closely with registrants, ABC is generating data on residues and usage patterns for use in risk assessments currently underway in international food standards bodies, such as Codex.
- **Government Outreach:** Building and maintaining strong relationships with key legislators and regulators has enabled ABC to provide fact-based information on how regulatory reforms impact the industry, as well as educating these important stakeholders on almond industry practices. This information has been particularly relevant in responding to FDA's proposed rules under the Food Safety Modernization Act. Regular contact with state and federal legislative staffers has also contributed to the growing recognition of ABC as a resource for California Almond industry practices.

New issues will continue to emerge in 2014 at the state, federal and international levels as the industry confronts greater pressures stemming from land-use priorities, pollinator availability, food safety standards and global trade agreements.



State Assembly Majority Leader and Agriculture Committee member Toni Atkins (D-SD) and Dave Phippen discuss the use of solar energy. ABC educational outreach efforts were undertaken in conjunction with the tour organized by the Almond Hullers & Processors Association and the Agriculture Council of California.

United States capitol. Photo credit: Architect of the Capitol.



Industry Relations

Almond Board of California's Industry Relations (IR) program remains committed to providing growers, handlers and other industry stakeholders with the most recent tools, information, research and resources to assist them with the management of growing and selling California Almonds. Here's a preview of some of the new and continuing programs, aimed at improving the future of the industry.

Almond Leadership Program: Five years after its inception, the Almond Leadership Program is stronger than ever. Young industry leaders with diverse backgrounds come together to gain a well-rounded education and explore the different facets of almond production, marketing and other issues facing the industry.

The Almond Conference: With close to 3,000 attendees and greater representation from all growing regions, research updates and time to interact with industry experts are at the top of the list of priorities when planning this exciting event. The Almond Conference offers industry members a unique opportunity to visit the country's only trade show dedicated to the business of almonds.

Ag in the Classroom: As an extension of California Ag in the Classroom, ABC helps to educate thousands of students each year about the lifecycle and end-use of almonds. ABC's new *An Almond Story* video has the same design as the student workbook, and the two pieces are meant to be used together by grade school teachers and industry members who participate in Ag in the Classroom.

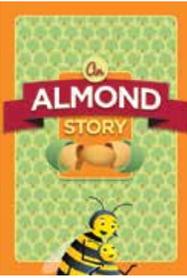
Almond Achievement Award: The Almond Achievement Award is an honor given to one outstanding individual who has proven service and contributions through a long-standing, direct involvement in the California Almond industry. Nominations are accepted every year from August through November and the winner is announced at The Almond Conference's gala dinner.

Radio Announcement: In addition to the regular communication tactics—*California Almonds Outlook*, *The Handle*, *Western Farm Press*—ABC can now be heard every Thursday on your local affiliate radio station for AgNet West's Specialty Crop News. These 60- to 90-second almond updates keep industry members informed of issues of special interest, including The Almond Conference, water issues, pollination, labor management, pest management, marketing and other newsworthy information.



Chairman Bill Harp presents the Almond Achievement Award to 2012 winner, Joe MacIvaine.

Image from the DVD, *An Almond Story*



The Almond Conference logo



2013 Almond Leadership participants

California Almond Sustainability Program

Since 2009, Almond Board of California has been working to document the efforts almond growers make to be good stewards of the environment, ensuring California Almonds remain a nut of choice in markets increasingly aware of the sustainability of products they purchase. To date, more than 95,000 acres of almonds have been assessed by more than 1,000 participants in the California Almond Sustainability Program.

Growers and handlers can take part in telling their own stories to buyers, regulators and consumers by attending workshops or going online to assess their management practices using a workbook of modules designed by peer growers and handlers, university experts and others. Becoming involved in the California Almond Sustainability Program is now easier than ever with the new online system at sustainablealmondgrowing.org. Growers and handlers can now answer simple yes or no questions in each module on their own time and save their work as they go. Additionally, participants are able to update their information year after year in a matter of minutes. Once a grower or handler has completed an assessment, they can generate a report showing their results compared to the rest of the participants to see how their management practices compare.



The CASP logo



Image from the 2012 California Almond Sustainability Program video. View the video in its entirety at almondboard.com/sustainabilityvideo.



Almond growers Dick Braden and Manny Dias work to complete sustainability modules remotely on a tablet.

California Almond Sustainability Program (continued)

After four years of almond grower participation in the California Almond Sustainability Program, the first Almond Sustainability Report is being released at The 2013 Almond Conference. The report not only provides a summary of all of the self-assessment data to date, but also analyzes grower practices that impact the environment and grower economics. As almond growers know, there is no single way to grow almonds in California as each orchard location has different resources and issues. The Almond Sustainability Report showcases the many ways California Almond growers are working to be good stewards of the land, as well as some opportunities to become even more efficient with their practices. The report may be used as a marketing tool for buyers looking to purchase sustainably produced goods, regulators searching for an in-depth education on growing California Almonds, and growers who would like to identify sustainable trends in the industry and potentially make some changes in their own operations.

The Almond Definition of Sustainability: Sustainable almond farming utilizes production practices that are economically viable and based upon scientific research, common sense and a respect for the environment, neighbors and employees. The result is a plentiful, healthy and safe food product.

To learn more about the California Almond Sustainability Program and how you can participate, contact Kendall Barton at kbarton@almondboard.com or call 209.343.3245.

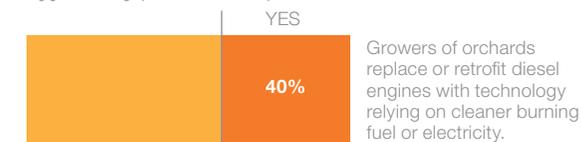


2014 Almond Sustainability Report sample of key findings

Strength (% of orchards)



Opportunity (% of orchards)



Source: 2014 Almond Sustainability Report.



