australian almonds
ALMOND BOARD OF AUSTRALIA

ALMOND INSIGHTS 2017-18

www.australianalmonds.com.au

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

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This project has been funded by Hort Innovation, using the Almond research and development levy and contributions from the Australian Government. Hort Innovation is the grower owned, not-for-profit research and development corporation for Australian horticulture.

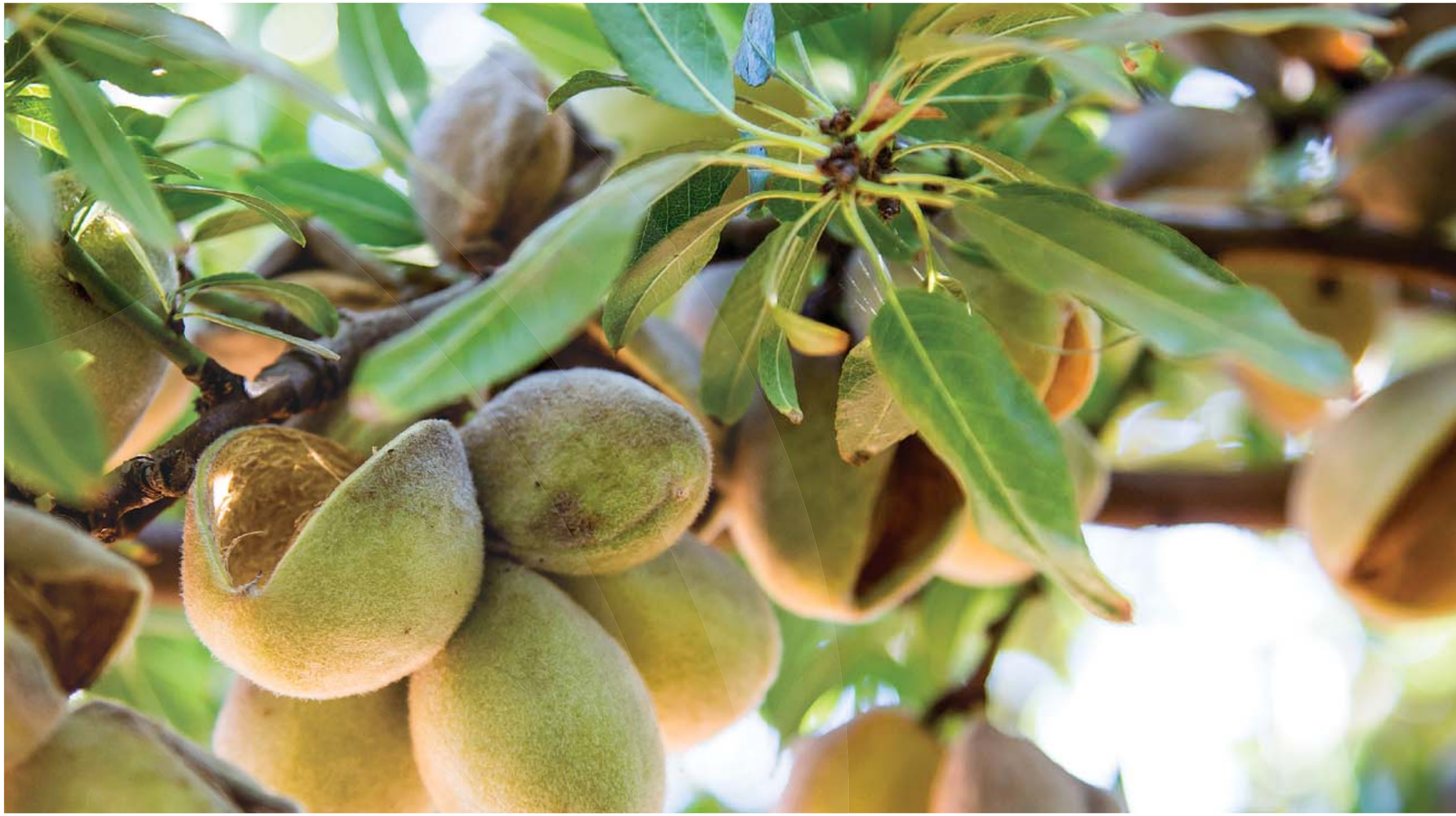
Australian almonds were exported to 52 countries in 2017.

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

CONTENTS

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

ABA activities cover 99% of production.



The ABA supports the development of the Almond industry

THE ROLE OF THE ALMOND BOARD OF AUSTRALIA

The Almond Board of Australia is guiding the industry's development by implementing our strategic plan for Australian almonds. The plan involves building domestic consumption, developing brand awareness of Australian almonds in export markets and addressing market access issues. Also addressed in the plan are productivity issues such as: yield improvement; surety of inputs, cost of inputs and their efficient use; and better managing risk from pests, weather, disease, and ensuring appropriate quality in terms of food safety and meeting customer expectations.

To achieve these strategies, the ABA relies on the knowledge of industry members and the development of technologies and the filling of knowledge gaps from research providers as well as information from other sources including suppliers.

The implementation of the industry's strategic plan is overseen by the ABA Board representing 99% of production who guide the ABA's endeavours to facilitate an enhanced operating environment for industry stakeholders by providing advocacy on industry wide issues such as market access, biosecurity, research, water, energy, labour, pollination services, and transport.

INTRODUCTION

The 2017 Australian almond crop was 79,461 tonnes. Our industry's expected growth to 90,000 tonnes has not yet eventuated as poor pollination, frost, pest and disease issues have impacted the outlook.

The domestic market has continued to grow and gains are now being made on a high average consumption level per person of over one kilogram. 48.1% of Australian households purchased almonds during the 2017/18 marketing year. Approximately half of the Australian almonds consumed domestically are in manufactured products where almonds remain by far the number one nut choice for inclusion in recipes of new products, particularly for protein bars, snack packs and breakfast cereals. Almond milk also continues to grow.

The three key drivers of almonds popularity are their enjoyable taste, broad versatility in usage as witnessed in their inclusion in cuisines around the world and very positive health attributes. During 2017, a review of the nutritional research relating to almonds highlighted that almonds can be acknowledged as 'Heart Healthy' on pack. Research is also showing benefits for diabetes, brain health, gut health, and satiety to avoid obesity.

With static production and increasing sales to the domestic market, less tonnage was exported. The drop in sales in the second half of the marketing year is indicative that a larger export tonnage is achievable if there was available supply. A change of shipments between export markets has occurred with growth in some markets shifting supply away from others. Despite the slight fall in export tonnage, almonds remain Australia's most valuable horticultural export product. This reduced volume available for the export market will continue in the 2018/19 marketing year due to the wet and windy weather during the 2017 pollination season and followed by widespread frosts reducing the 2018 crop to well below 80,000 tonnes. This is the smallest crop since 2014 and was unexpected given the increase in orchard maturity and the coming into production of some newer orchard plantings.

The plateauing of production in the past few years is not expected to continue if nature enables the true productive capacity of the industry to be delivered. The large numbers of trees planted in 2016 and again in 2017 will soon add tonnage and we will again be in a position to grow export volume. The Californian industry is also expanding as is the Spanish. Global almond production is moving towards a 50% growth in supply over the five-year period from 2017. Such growth has led to an increase in world demand via lower but more sustainable pricing. US domestic and export shipments have been setting monthly records and leading towards a reduced 'carry forward' inventory level going into their 2018-19 marketing year commencing in August.

Neale Bennett - Chair
Ross Skinner - CEO

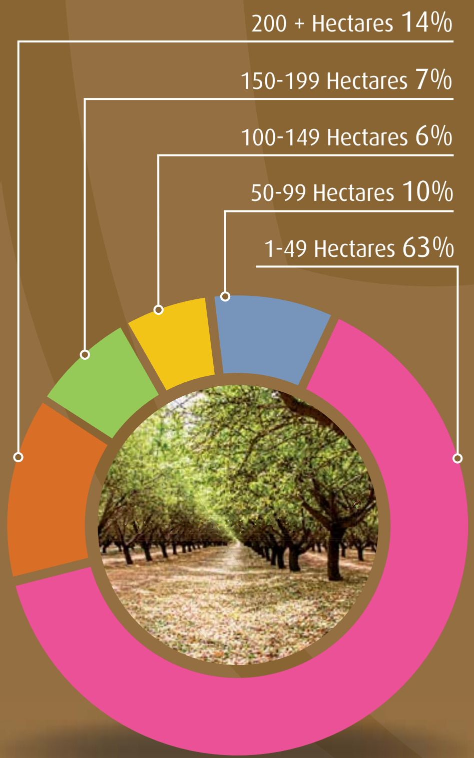
The information contained in this booklet provides industry stakeholders, government and those in the broader community with the key statistics on the productive capacity, crops, markets and demand for Australian almonds within the global context.

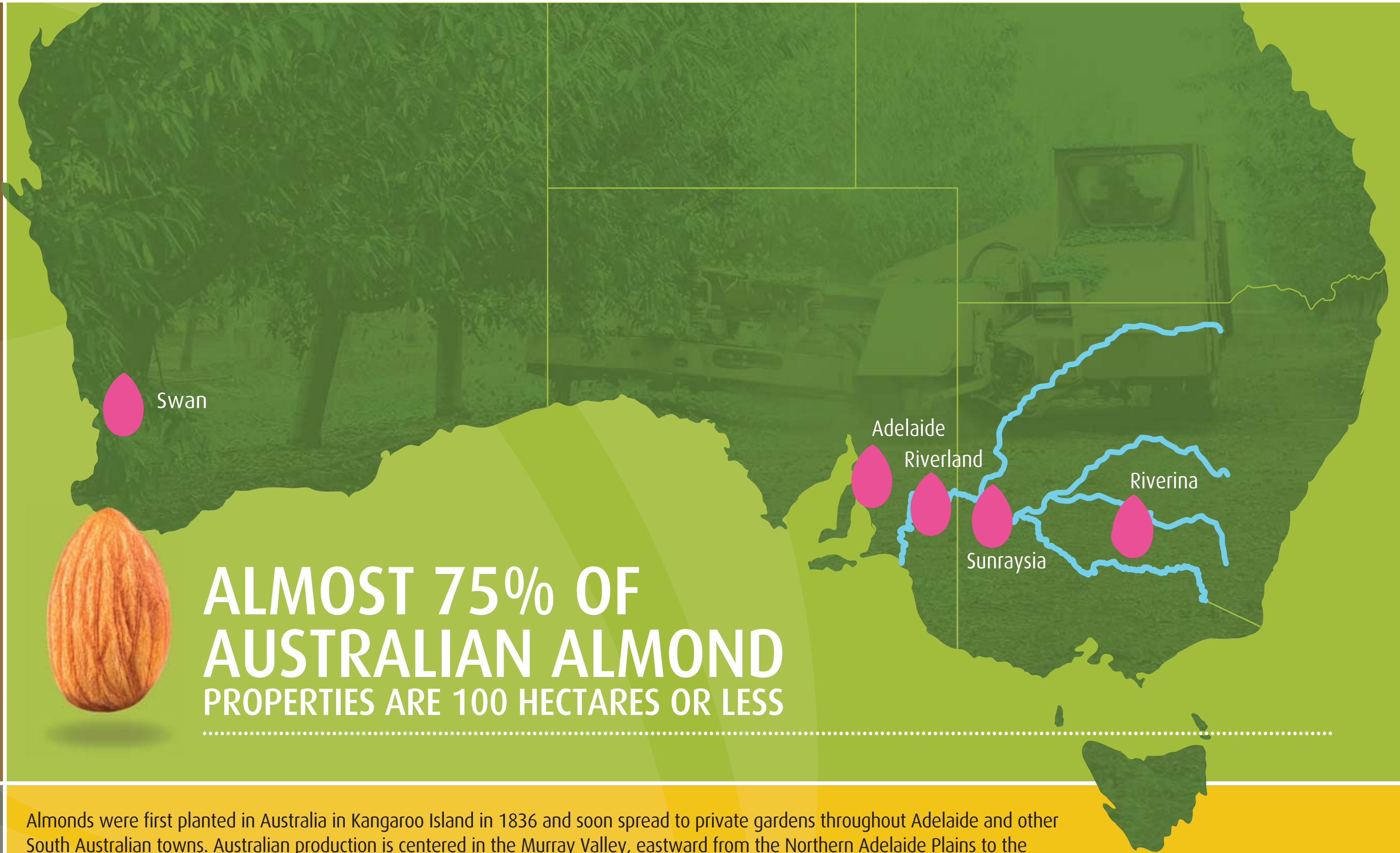
The booklet is prepared on a marketing year basis spanning March to February and based on data provided to the ABA from growers, processors and marketers on a confidential basis. Information was also sourced from the Australian Bureau of Statistics (ABS), Australian Nut Industry Council (ANIC), International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

Almonds remain Australia's most valuable horticultural export product.

INDUSTRY OVERVIEW

PROPERTY SIZE BY GROWER





ALMOST 75% OF AUSTRALIAN ALMOND PROPERTIES ARE 100 HECTARES OR LESS

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

The total area planted to almonds has increased from 3,546 hectares in 2000 to 39,662 in 2017, representing an eleven-fold increase in orchard area and taking the number of almond trees planted on commercial orchards past 11 million. Plantings increased rapidly during 2006 and 2007 when over 12,500 hectares of orchard were established. In the ensuing eight-year period plantings were steady with approximately 7,000 hectares added.

Large investments in new plantings occurred during winter 2016 and 2017 totaling a further 9,000 hectares planted. Being guided by tree orders with nurseries, the planting in 2018 will slow in pace.

Almond trees take three years to bear a crop and around seven years to reach mature production levels at conventional tree spacing. Presently, 10,724 hectares or 26.7% of orchard plantings are not yet bearing a crop, and 29.6% of bearing trees are not yet fully mature. Australian almond production will continue to trend upwards in coming years towards more than 120,000 tonnes regardless of future plantings, and may be significantly larger if orchard development continues as planned.

27% of orchard planting are not yet bearing & 30% are not yet fully mature.

INDUSTRY OVERVIEW

EXPORTS BY TYPE

(2017/18 MARKETING YEAR)

INSHELL 20,796 T - 38%

KERNEL 33,547 T - 62%

EXPORTS 54,343 T

IMPORTS 3,092 T

2017 PRODUCTION 79,461 T

DOMESTIC SUPPLY 26,166 T

AUSTRALIAN CONSUMPTION CONTINUES TO GROW OVER 1KG PER PERSON

IN 2017/18 ALMOND EXPORTS WERE WORTH

$429 MILLION

EXPORTS BY REGION

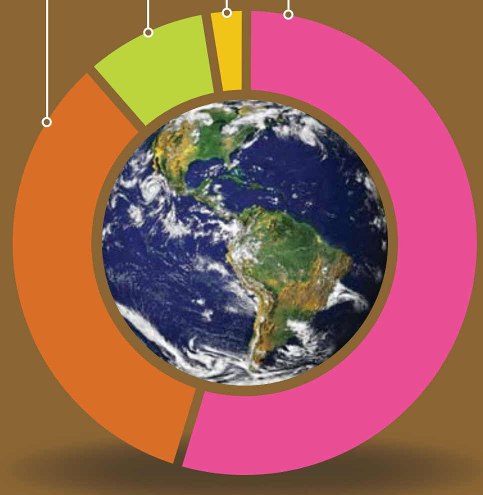
(2017/18 MARKETING YEAR)

Europe 33%

Middle East & Africa 9%

Americas 3%

Asia Pacific 55%



According to ABA data there are less than 200 Australian almond growing enterprises. Around three quarters of these consist of family owned properties of 100 hectares or less. Corporate farms have contributed to the rapid growth in Australian almond production and produce the majority of the industry's tonnage. Some of these businesses are fully integrated, processing and marketing the almonds they produce.

Hulling and shelling facilities are located in the Riverland, Sunraysia and the Riverina and the products they produce are sold by five major marketers who all participate on the ABA's Market Development Committee that guides the investment of the industry's voluntary marketing levy.

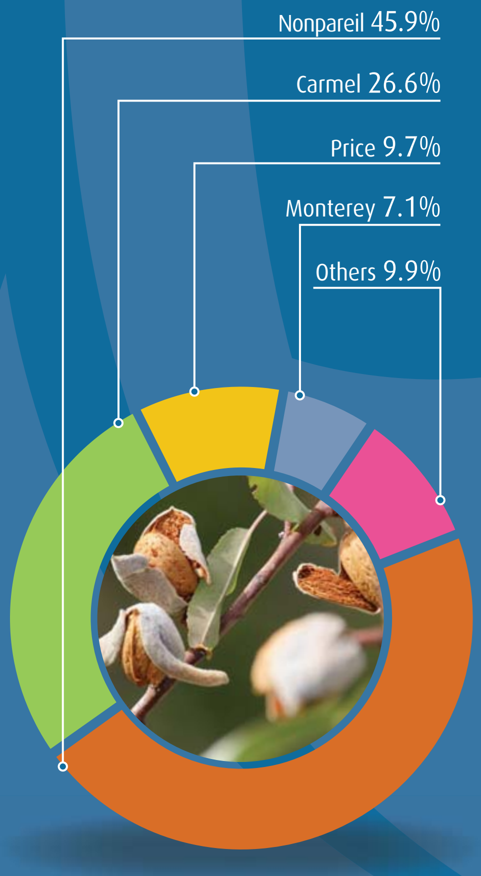
Rapid growth in production has meant the Australian almond industry has an export focus. For every tonne sold in Australia, 2.4 tonnes are exported.

The global almond industry is growing very rapidly in terms of production. Worldwide almond production has more than doubled since 2004 to around 1.2 million tonnes in 2017 and will continue to increase due to recent plantings in all major producing countries.

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

For every one tonne of almonds sold in Australia, **2.4 tonnes** were exported.

PLANTINGS



46% of all Australian almond trees are Nonpareil

CURRENT ALMOND PLANTINGS BY VARIETY (HECTARES)

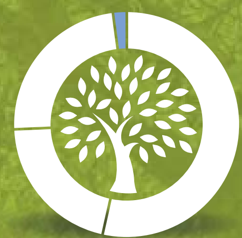
Variety	Pre '06	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL	Non Bearing	Maturing	Fully Mature	% of Plantings
Butte	-	2	40	7	-	-	-	-	-	5	-	-	-	54	-	5	49	0.1%
Carina	-	-	-	-	-	-	-	-	1	-	4	87	107	199	198	1	-	0.5%
Carmel	(115)	1,869	2,220	633	107	191	459	33	88	133	199	294	575	10,561	1,068	713	8,780	26.6%
Fritz	-	-	-	-	-	-	-	-	-	-	-	-	-	71	-	-	71	0.2%
Independence	-	-	-	0	-	-	-	-	-	72	48	87	117	325	253	72	0	0.8%
Johnston	-	0	-	0	(0)	1	0	-	-	-	0	-	-	34	0	0	34	0.1%
Keane	(817)	4	14	5	2	2	-	-	1	-	-	1	0	72	1	1	69	0.2%
Maxima	(24)	-	-	-	-	-	-	-	1	-	-	54	5	60	59	1	-	0.2%
Mira	(3)	-	-	-	-	-	-	-	1	-	-	7	-	8	7	1	-	0.0%
Monterey	(75)	64	60	18	81	59	178	16	71	73	412	870	878	2,814	2,160	337	317	7.1%
NePlus	(1)	0	-	-	-	-	0	1	-	-	3	0	-	164	3	1	161	0.4%
Nonpareil	-	2,733	3,140	924	187	276	736	62	182	300	668	1,671	1,161	18,218	3,500	1,280	13,437	45.9%
Padre	(27)	2	39	3	-	-	-	-	-	5	-	-	-	50	-	5	45	0.1%
Peerless	(17)	37	53	9	2	2	2	2	2	11	8	32	4	439	43	17	379	1.1%
Price	-	736	785	256	12	22	94	11	15	39	44	243	89	3,861	376	159	3,327	9.7%
Rhea	(1)	-	-	-	-	-	-	-	1	-	-	15	-	15	15	1	-	0.0%
Wood Colony	-	-	-	-	-	-	3	-	0	28	120	676	437	1,265	1,234	32	-	3.2%
Other Varieties	-	-	-	-	3	1	-	-	0	-	49	1,165	172	1,452	1,387	0	65	3.7%
Total Current by Year	(1,080)	5,448	6,352	1,854	393	555	1,472	124	363	666	1,555	5,203	3,546	39,662	10,304	2,625	26,734	100.0%

OVER 11.5 MILLION ALMOND TREES PLANTED IN AUSTRALIA

VICTORIA
6,152,687
TREES

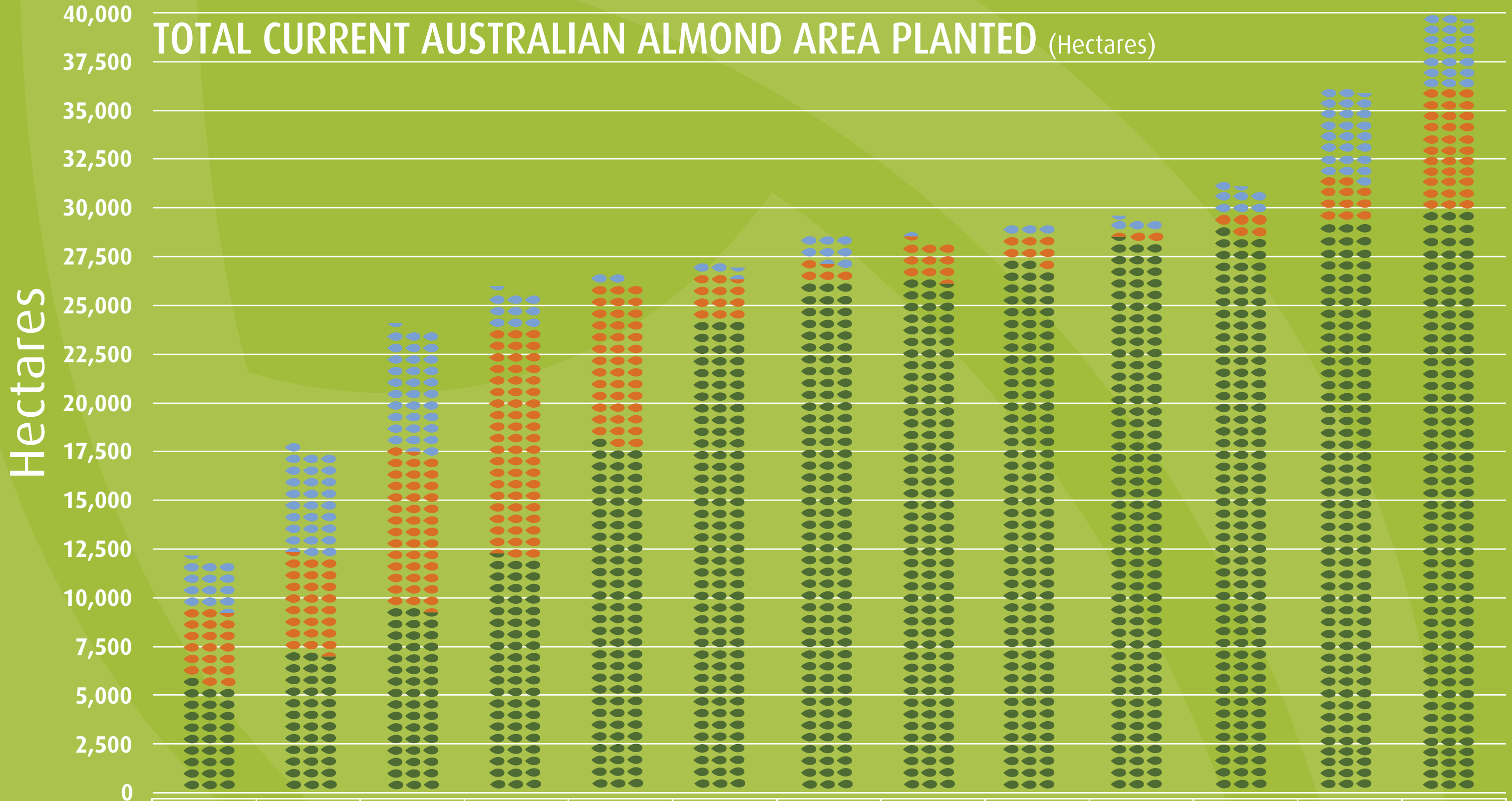
NEW SOUTH WALES
2,732,019
TREES

SOUTH AUSTRALIA
2,399,306
TREES



WESTERN AUSTRALIA
223,395
TREES

PLANTINGS



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Bearing	5,580	7,086	9,490	12,124	17,645	24,004	25,865	26,258	26,813	28,284	28,408	28,771	29,358
Non Bearing	3,909	5,037	8,155	11,880	8,219	2,254	948	2,026	1,595	486	1,029	2,211	6,758
New Plantings	2,634	5,522	6,359	1,861	393	555	1,472	124	363	666	1,545	4,904	3,546
TOTAL	**12,123**	**17,645**	**24,004**	**25,865**	**26,258**	**26,813**	**28,285**	**28,408**	**28,771**	**29,436**	**30,982**	**35,886**	**39,662**

ORCHARD PLANTINGS BY REGION

(Hectares)

SUNRAYSIA (VIC)	RIVERINA (NSW)	RIVERLAND (SA)	SWAN (WA)	ADELAIDE PLAINS (SA)
56%	20%	20%	2%	2%
22,390 HA	7,885 HA	7,910 HA	753 HA	724 HA

Industry Total

39,662

hectares

ENVIRONMENT

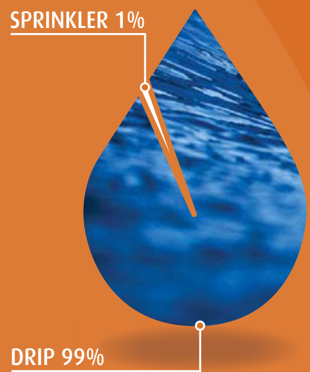
BUDWOOD & NURSERY SALES

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

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

180,000
hives are used to Pollinate the Australian almond orchard.

ALMONDS ARE ONE OF AUSTRALIA'S MOST HIGH VALUE, EFFICIENT AND ENVIRONMENTALLY FRIENDLY IRRIGATION INDUSTRIES.



WATER USE EFFICIENCY

Australian almond growers are world leaders in efficient use of water. Almonds produce a high value return per megalitre of water applied. Current use of water by the almond industry is approximately 14 megalitres per hectare for mature orchards.

Water use efficiency is aided by sophisticated irrigation systems that ensure water application matches tree requirements and minimises environmental impact. 99% of orchards use efficient drip irrigation that allows for precise timing and rates of irrigation and the remaining 1% of orchards use low level micro sprinklers.

The Almond Board of Australia works with growers to continue to transfer knowledge to fine-tune irrigation practices.

BIOMASS USAGE

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

The shell is used to generate electricity or as mulch or livestock bedding.

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

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

BEES & POLLINATION

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

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

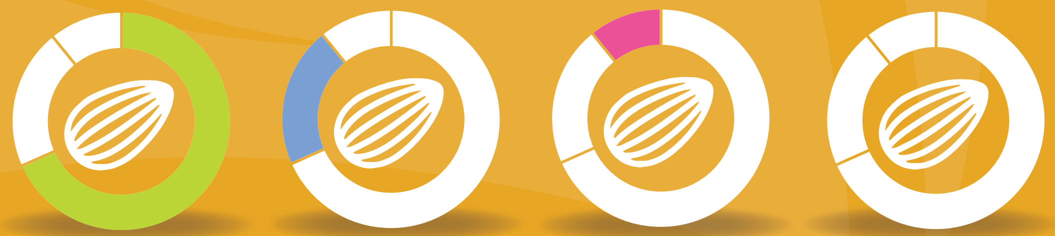
PRODUCTION

ALMOND PRODUCTION - PAST & PRESENT (KERNEL)

(Estimated future tonnage based on current plantings only)

* **ESTIMATE** *base on marketers' assesments.* ** **FORECAST** *base on plantings data.*

2017 ALMOND PRODUCTION BY STATE (KERNEL)



Victoria
68%
53,952 t

South Australia
20%
15,979 t

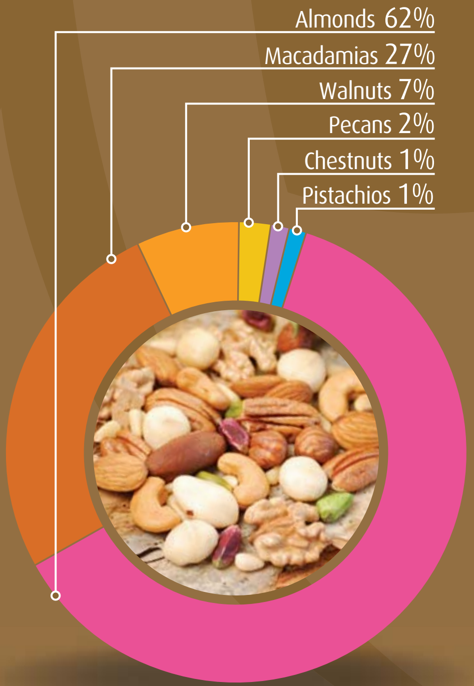
New South Wales
12%
9,288 t

Western Australia
3%
241 t

2017 Crop Total
79,461
tonnes

PRODUCTION

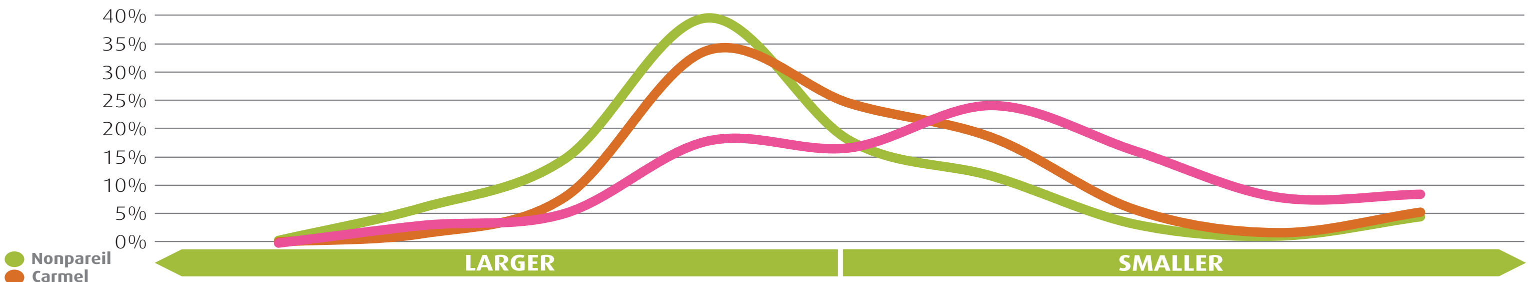
CONTRIBUTION TO AUSTRALIAN TREE NUT PRODUCTION % (2017 INSHELL TONNES)



Source: ANIC

55% of the 2017 crop was sized 23/25 & 27/30

2017 CROP KERNEL SIZE BY VARIETY (KERNELS PER OUNCE)



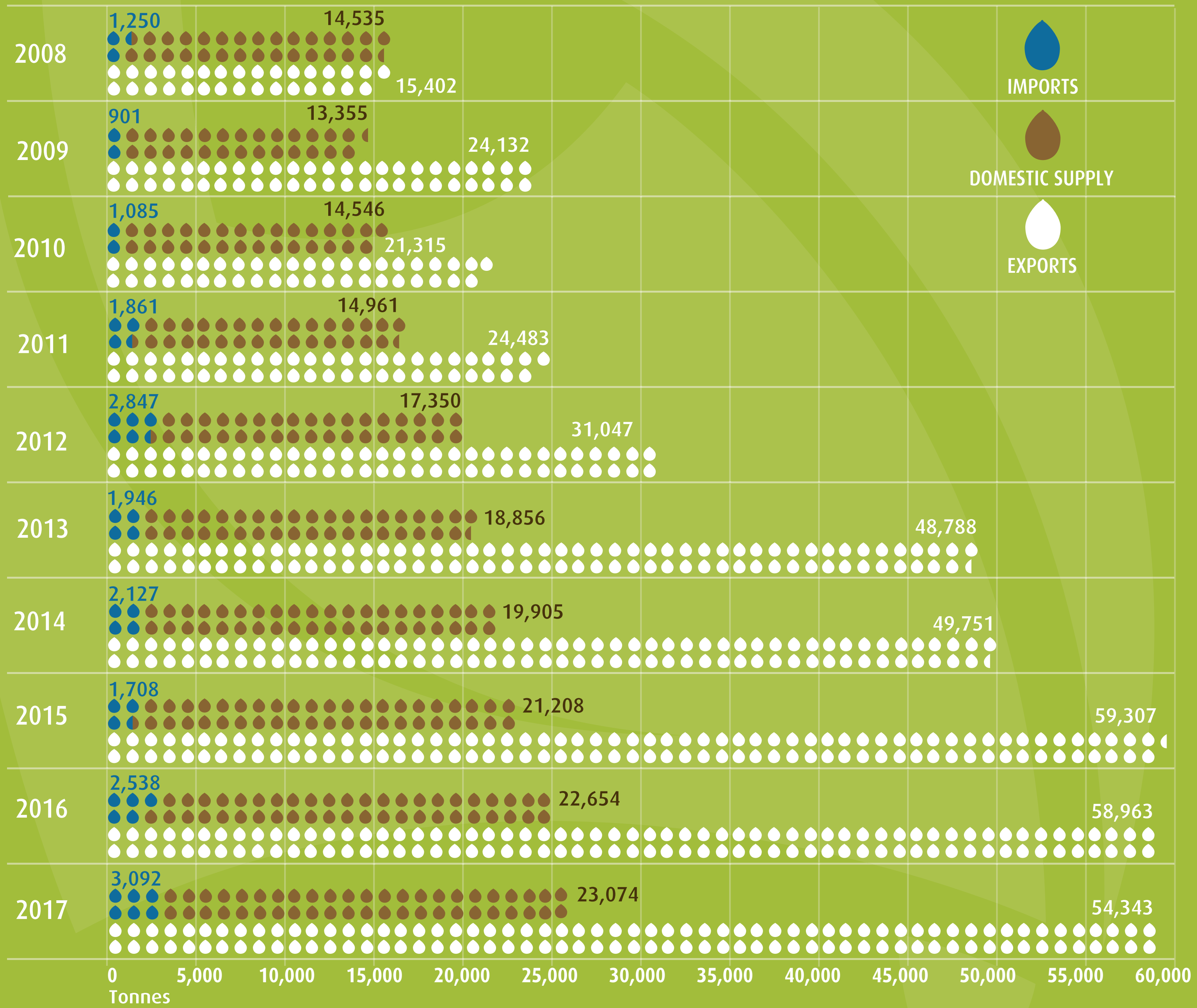
	16/18	18/20	20/22	23/25	25/27	27/30	30/35	35/40	Other
Nonpareil	0.5%	6.2%	14.7%	39.5%	18.0%	11.8%	3.3%	1.3%	4.7%
Carmel	0.3%	1.7%	8.0%	33.8%	24.5%	18.5%	5.9%	1.9%	5.5%
Price	0.0%	3.1%	5.2%	17.9%	16.7%	24.1%	16.2%	8.1%	8.6%
TOTAL	0%	4%	11%	35%	20%	15%	5%	2%	5%

PRODUCTION BY VARIETY (KERNEL)

Variety	2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017	
Baxendale	163	1%	230	1%	168	1%	173	-	160	-	105	-	21	-	118	-	1,103	2%	97	-	55	-	45	-
Capella	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
Carina	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-
Carmel	4,246	27%	7,383	27%	7,996	31%	11,681	32%	10,561	27%	14,091	37%	15,718	32%	26,922	37%	19,834	30%	28,495	35%	28,471	35%	27,654	35%
Chellaston	59	-	62	-	23	-	33	-	15	-	24	-	4	-	18	-	3	-	7	-	2	-	4	-
Fritz	249	2%	331	1%	240	1%	151	-	198	1%	85	-	108	-	99	-	108	-	87	-	118	-	86	-
Independence	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22	-
Johnston	30	-	36	-	35	-	47	-	24	-	36	-	13	-	31	-	11	-	24	-	11	-	26	-
Keane	112	1%	132	-	70	-	69	-	79	-	65	-	71	-	112	-	103	-	141	-	98	-	162	-
Maxima	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
Mira	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-
Mission	273	2%	314	1%	251	1%	196	1%	156	-	146	-	23	-	133	-	43	-	75	-	49	-	31	-
Monterey	5	-	24	-	42	-	97	-	181	-	328	1%	429	1%	689	1%	704	1%	1,146	1%	1,217	1%	1,290	2%
Ne Plus	594	4%	823	3%	527	2%	443	1%	425	1%	290	1%	276	1%	409	1%	453	1%	278	-	328	-	264	-
Nonpareil	7,989	50%	13,751	51%	13,376	51%	18,686	51%	21,219	54%	17,154	46%	25,766	52%	36,305	49%	33,772	52%	40,523	49%	39,788	48%	40,120	50%
Peerless	576	4%	936	3%	597	2%	693	2%	747	2%	765	2%	715	1%	949	1%	970	1%	757	1%	777	1%	717	1%
Price	903	6%	2,037	8%	2,338	9%	4,023	11%	3,936	10%	4,196	11%	5,796	12%	7,212	10%	7,124	11%	7,506	9%	9,865	12%	7,111	9%
Rhea	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
Somerton	6	-	13	-	12	%	18	-	682	2%	19	-	12	-	24	-	5	-	16	-	7	-	14	-
Organic	-	-	129	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	796	5%	682	3%	330	1%	94	-	697	2%	321	1%	387	1%	285	-	825	1%	976	1%	1,042	1%	481	1%
Mixed/Broken	-	-	-	-	-	-	-	-	-	-	-	-	246	-	55	-	-	-	2,381	3%	503	1%	1,429	2%
Total KERNEL	16,001	100%	26,882	100%	26,006	100%	36,403	100%	39,081	100%	37,626	100%	49,585	100%	73,361	100%	65,060	100%	82,509	100%	82,333	100%	79,461	100%

SUPPLY & DEMAND

AUSTRALIAN EXPORT & DOMESTIC SUPPLY (MARKETING YEAR) KERNEL EQUIVALENT



Total 2017 domestic sales

26,166
Tonnes

CONSUMPTION

IN SHELL

FORMS OF AUSTRALIAN ALMONDS

KERNEL | WHOLE BLANCHED | NATURAL SLICED | BLANCHED SLICED | SLIVERED | DICED | MEAL

Nielsen's Homescan research indicated that almond purchases within the Australian domestic market grew in the 2017 calendar year with 48.1% of households buying some almonds. This is an increase of 2.2 basis points or 4.8%. By comparison, mixed nuts have a household penetration of 45.3%, cashews at 43.5%, walnuts at 27.4%, pistachio 16.8% and macadamias 14.4%.

There was an increase in the number of households within Homescan's 'family' segments who purchased almonds during 2017. The number of 'start-up' families (oldest child is under 6 years) who purchased almonds increased from 46.9% to 50.2%; 'small scale' families (oldest child is between 6 and 11 years) increased from 46.9% to 48.3% and 'bustling' families (oldest child over 12 years) increased from 46.5% to 51.3%.

The Innova New Product research highlighted that almonds remain the most frequently used nut ingredient in new product launches. During the last Australian almond marketing year (March 2017 to February 2018), 302 products were launched into the Australian market with almonds as an ingredient. This compares to 123 new products with cashews, 70 products with hazelnuts and 173 products with peanuts.

The three categories that featured the highest number of new products with almonds were: cereal and energy bars with 81 new products, snack nuts and seeds with 32 new products and breakfast cereals with 31 new products.

In 2017 the average Australian almond consumption was 1.09Kg per person

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

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

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

EXPORTS

2017/18 MARKETING YEAR TOTAL EXPORT VALUE

$429 MILLION

The smaller Australian almond crop in 2017 limited the opportunities for export growth. However, a number of our key export markets continued to expand. The Indian market grew by 23%, the UAE market grew by 35% and exports to Vietnam grew by 46%.

It is worth noting that while the combined kernel and in-shell export volumes have fallen during the 2017-18 marketing year, exports of processed nuts have increased. This category is understood as predominantly the range of blanched almond products. Exports of processed nuts grew by 2,387 tonnes during the 2017-18 year which is a growth rate of 128%.

The key features of the Australian Almonds export development program are our major trade exhibitions. The 2017-18 marketing year featured an exhibition at Anuga, the major European trade fair held in Cologne in October, 2017 and at Gulfoods, Dubai in February 2018. The Gulfoods trade exhibition attracts many of our industry's key Indian customers as well as servicing the Middle East and African markets. At our 2018 Gulfoods trade mission, a large trade exhibition was augmented with a customer networking event and a special indoor cricket match between an Indian Almond team and the Australian Almond team. The cricket match helped strengthen the cultural connection between our largest export market and the Australian almond industry.

Another major feature of our export market development program in 2017-18 was an enhanced focus on growing the Australian almond market in China. Three trade missions were undertaken during 2017: Sial China in Shanghia in May 2017, the China Tree Nut Conference in August 2017 and Asia Fruit Logistica in Hong Kong in September 2017. Significant emphasis was placed on the reducing tariffs on Australian almonds into Mainland China available because of the China-Australia Free Trade Agreement.

EXPORT OF AUSTRALIAN PROCESSED NUTS

YEAR	TONNES
2017	4,257.6
2016	1,870.3
2015	2,075.3
2014	1,608.2
2013	1,170.5

WORLD EXPORT DESTINATIONS

2017/18 MARKETING YEAR

Region	Sub-region	Destination	INSHELL (TONNES)	INSHELL $ AUD	KERNEL (TONNES)	KERNEL $ AUD	TOTAL (TONNES)	TOTAL $ AUD	% CHANGE FROM 2016 MY
ASIA PACIFIC	NORTHEAST ASIA	CHINA (EXCLUDING SARS & TAIWAN)	128	$1,166,158	510	$4,407,825	600	$5,573,983	88%
		HONGKONG (SAR OF CHINA)	87	$398,208	260	$2,022,738	321	$2,420,946	-83%
		JAPAN	50	$393,759	512	$4,457,275	547	$4,851,034	58%
		KOREA, REPUBLIC OF	-	-	60	$588,282	60	$588,282	-15%
		TAIWAN	-	-	2	$29,136	2	$29,136	29%
		TOTAL NORTHEAST ASIA	**265**	**$1,958,125**	**1,343**	**$11,505,256**	**1,529**	**$13,463,381**	**-42%**
	SOUTHEAST ASIA	BRUNEI DARUSSALAM	-	-	0	$2,905	0	$2,905	-13%
		INDONESIA	-	-	17	$163,062	17	$163,062	-94%
		MALAYSIA	40	$282,097	106	$801,675	133	$1,083,772	264%
		PHILIPPINES	1	$21,879	19	$240,551	19	$262,430	-80%
		SINGAPORE	-	-	253	$2,084,112	253	$2,084,112	36%
		THAILAND	155	$1,260,002	780	$6,580,514	889	$7,840,516	-47%
		VIET NAM	4,770	$24,236,241	1,024	$5,709,432	4,363	$29,945,673	46%
		TOTAL SOUTHEAST ASIA	**4,966**	**$25,800,219**	**2,199**	**$15,582,251**	**5,675**	**$41,382,470**	**7%**
	SOUTH/CENTRAL ASIA	INDIA	22,727	$140,267,651	2,286	$18,055,377	18,195	$158,323,028	23%
		PAKISTAN	258	$1,422,610	401	$2,996,719	582	$4,419,329	138%
		TOTAL SOUTH/CENTRAL ASIA	**22,986**	**$141,690,261**	**2,687**	**$21,052,096**	**18,777**	**$162,742,357**	**25%**
	AUSTRALASIA/OCEANIA	FIJI	-	-	15	$127,440	15	$127,440	-13%
		NEW ZEALAND	113	$850,638	1,992	$17,568,462	2,071	$18,419,100	13%
		PAPUA NEW GUINEA	0	$2,268	0	$3,685	0	$5,953	-84%
		TOTAL AUSTRALASIA/OCEANIA	**113**	**$852,906**	**2,007**	**$17,699,587**	**2,086**	**$18,552,493**	**13%**
	TOTAL ASIA PACIFIC		**28,330**	**$170,301,511**	**8,237**	**$65,839,190**	**28,068**	**$236,140,701**	**13%**
EUROPE	WESTERN EUROPE	BELGIUM	-	-	318	$2,100,405	318	$2,100,405	-25%
		DENMARK	-	-	1,072	$7,270,604	1,072	$7,270,604	-2%
		FRANCE	-	-	1,060	$7,928,025	1,060	$7,928,025	2%
		GERMANY	34	$236,872	3,809	$31,518,346	3,833	$31,755,218	-17%
		GREECE	2	$17,565	129	$981,013	130	$998,578	-36%
		ITALY	-	-	1,215	$9,056,487	1,215	$9,056,487	-35%
		NETHERLANDS	238	$1,838,295	2,597	$19,074,141	2,764	$20,912,436	35%
		NEW CALEDONIA	-	-	1	$8,938	1	$8,938	44%
		NORWAY	-	-	-	$-	-	-	-100%
		SPAIN	793	$4,593,338	5,502	$34,826,200	6,057	$39,419,538	-49%
		SWEDEN	-	-	297	$2,100,777	297	$2,100,777	-16%
		SWITZERLAND	-	-	328	$3,035,308	328	$3,035,308	20%
		UNITED KINGDOM	40	$317,622	1,376	$10,564,945	1,404	$10,882,567	144%
		TOTAL WESTERN EUROPE	**1,107**	**$7,003,692**	**17,704**	**$128,465,189**	**18,479**	**$135,468,881**	**-25%**
	CENTRAL & EASTERN EUROPE	CROATIA	16	$121,056	102	$818,967	113	$940,023	-16%
		CZECH REPUBLIC	-	-	20	$140,003	20	$140,003	
		POLAND	-	-	453	$3,675,915	453	$3,675,915	-6%
		RUSSIAN FEDERATION	-	-	35	$352,942	35	$352,942	
		UKRAINE	-	-	-	-	-	-	-100%
		TOTAL CENTRAL & EASTERN EUROPE	**16**	**$121,056.00**	**609**	**$4,987,827**	**620**	**$5,108,883**	**-2%**
	TOTAL EUROPE		**1,124**	**$7,124,748.00**	**18,313**	**$133,453,016**	**19,099**	**$140,577,764**	**-24**
MIDDLE EAST & AFRICA	MIDDLE EAST	JORDAN	-	-	55	$526,031	55	$526,031	200%
		KUWAIT	0	$200	181	$1,664,116	181	$1,664,316	20%
		LEBANON	0	$2,330	-	-	0	$2,330	-100%
		QATAR	-	-	37	$345,376	37	$345,376	
		SAUDI ARABIA	0	$300	412	$3,388,999	412	$3,389,299	222%
		TURKEY	51	$385,728	846	$6,747,661	881	$7,133,389	-39%
		UNITED ARAB EMIRATES	168	$2,028,366	2,404	$19,603,655	2,522	$21,632,021	35%
		TOTAL MIDDLE EAST	**219**	**$2,416,924**	**3,934**	**$32,275,838**	**4,088**	**$34,692,762**	**3%**
	NORTH AFRICA	EGYPT	-	-	262	$2,330,599	26	$2,330,599	-26%
		LIBYA	-	-	128	$810,497	128	$810,497	
		TUNISIA	-	-	-	-	-	$-	-100%
		TOTAL NORTH AFRICA	**-**	**-**	**390**	**$3,141,096**	**390**	**$3,141,096**	**-60%**
	SUB-SAHARAN AFRICA	MAURITIUS	16	$146,865	-	-	11	$146,865	
		SOUTH AFRICA	-	-	202	$1,551,281	202	$1,551,281	105%
		TOTAL SUB-SAHARAN AFRICA	**16**	**$146,865**	**202**	**$1,551,281**	**213**	**$1,698,146**	**117%**
	TOTAL MIDDLE EAST & AFRICA		**236**	**$2,563,789**	**4,526**	**$36,968,215**	**4,691**	**$39,532,004**	**-7%**
AMERICAS	LATIN AMERICA/CARIBBEAN	ARGENTINA	-	-	217	$1,644,437	217	$1,644,437	324%
		URUGUAY	-	-	17	$87,057	17	$87,057	
		TOTAL LATIN AMERICA/CARIBBEAN	**-**	**-**	**235**	**$1,731,494**	**235**	**$1,731,494**	**357%**
	NORTH AMERICA	CANADA	-	-	2	$46,200	2	$46,200	-8%
		TOTAL NORTH AMERICA	**-**	**-**	**2**	**$46,200**	**2**	**$46,200**	**-8%**
	UNITED STATES	UNITED STATES OF AMERICA	19	$448,455	2,235	$10,061,153	2,248	$10,509,608	-43%
		TOTAL UNITED STATES	**19**	**$448,455**	**2,235**	**$10,061,153**	**2,248**	**$10,509,608**	**-43%**
	TOTAL AMERICAS		**19**	**$448,455**	**2,472**	**$11,838,847**	**2,485**	**$12,287,302**	**-38%**
	WORLD TOTAL		**29,708**	**$180,438,503**	**33,547**	**$248,099,268**	**54,343**	**$428,537,771**	**-8%**

Source: ABS, ABA

GLOBAL

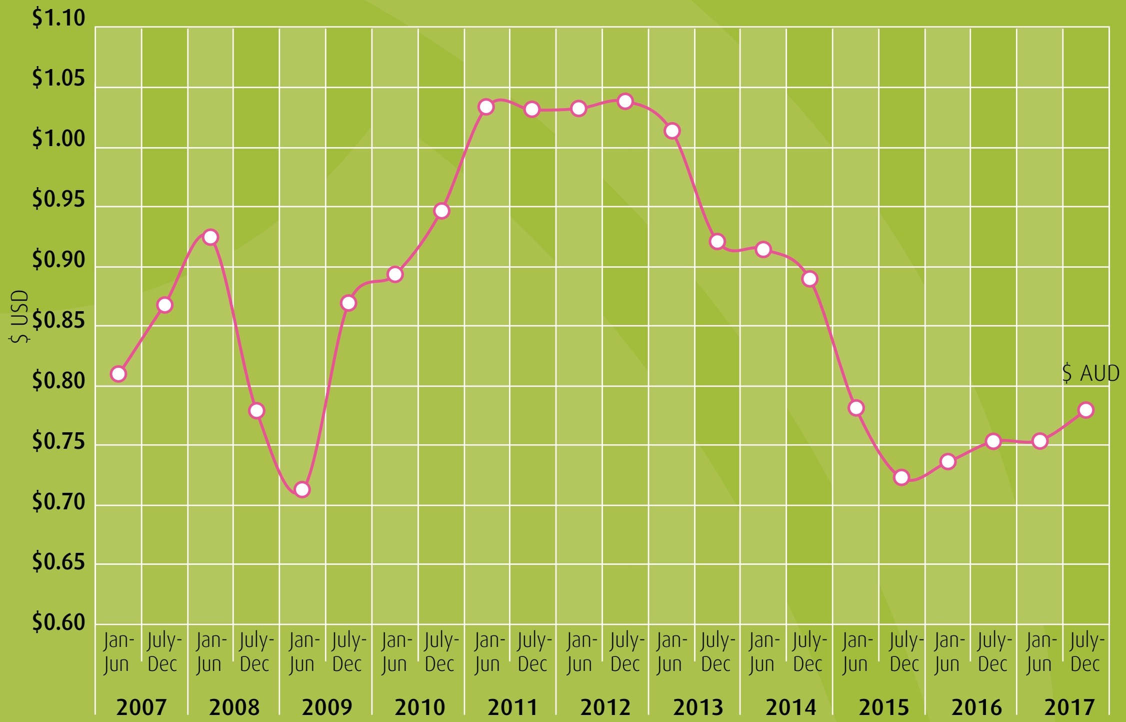
COMPARATIVE $AUD VS $USD EXCHANGE RATES

As the Californian industry sells 80% of the world's almonds the global price is quoted in US dollars per pound. The return for Australian almonds in our local currency is heavily influenced by the prevailing exchange rate between the A$ and the US$.

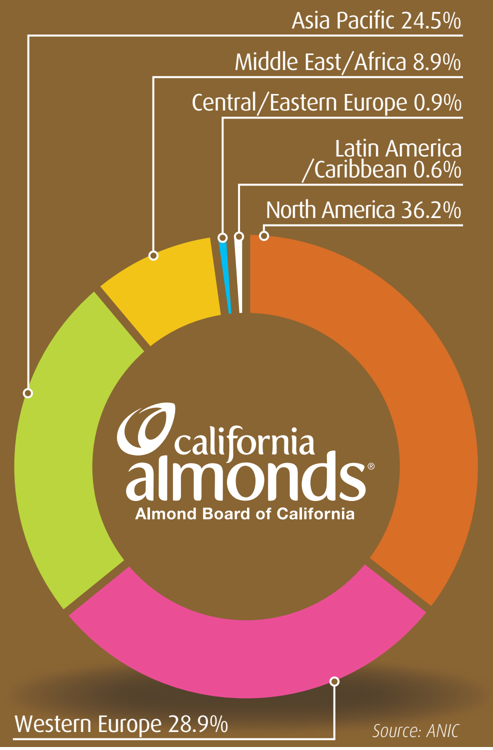
A strong Australian dollar delivers lower returns, whilst the weaker A$ delivers better returns once the US$ price is converted.

In June 2013, the Australian dollar fell below parity and has remained this way. The Australian dollar traded within a band in the mid US$0.70's during the 2017-18 year and generally around US$0.76.

With farm inputs such as orchard machinery, fertilizer and pest and disease sprays produced overseas these cost more when the A$ is weaker.



CALIFORNIA ALMOND EXPORTS BY REGION % (2016/17)



Source: ANIC

USA Production

While Australian almonds are typically harvested during the months of February to April each year, harvesting of northern hemisphere almonds typically occurs between August to October. Californian almond shipments (sales) for each crop marketing year are recorded from August through to July each year. In April 2017, the five year drought in California lifted, with a deep snowpack and flooding rains in winter.

The US production in 2017 that is marketable is recorded as 2.213 billion pounds of kernel (slightly more than one million tonnes) an increase of 5.9% over the previous year. This was produced from 1.06 million acres of almond orchards, up 7% from the previous year, of which one million acres was bearing a crop.

According to the 2018 Almond Subjective Forecast undertaken by the USDA National Agricultural Statistics Service, based on randomly chosen grower estimates, California almond orchards are expected to produce a record crop but only 1.3% larger than the 2017 tonnage.

The 2018 California Almond Objective Report, which is released in July, uses a more statistically rigorous methodology based on actual almond counts and measurements taken in orchards throughout the state.

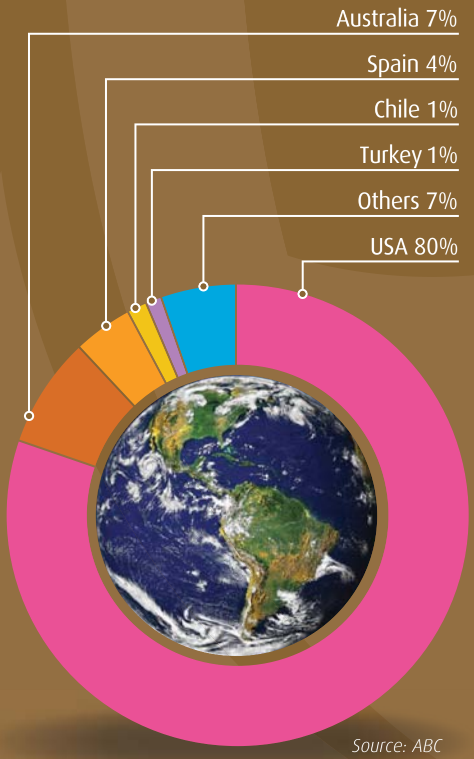
Year	New Plantings	Total Hectares
2006	12,938	305,538
2007	5,820	309,584
2008	8,773	333,866
2009	7,391	339,936
2010	5,407	346,006
2011	6,054	354,100
2012	4,965	376,358
2013	4,494	392,545
2014	8,040	400,585
2015	10,439	411,024
2016*	8,415	419,439
2017*	8,481	427,921
2018*	8,967	436,888

*Estimated as of July 6, 2017 Source: ABC, USDA

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

GLOBAL

WORLD PRODUCTION 2017



*US 2015 Crop Production figures as at May 2017

GLOBAL ALMOND PRODUCTION (KERNEL) *Source: INC*

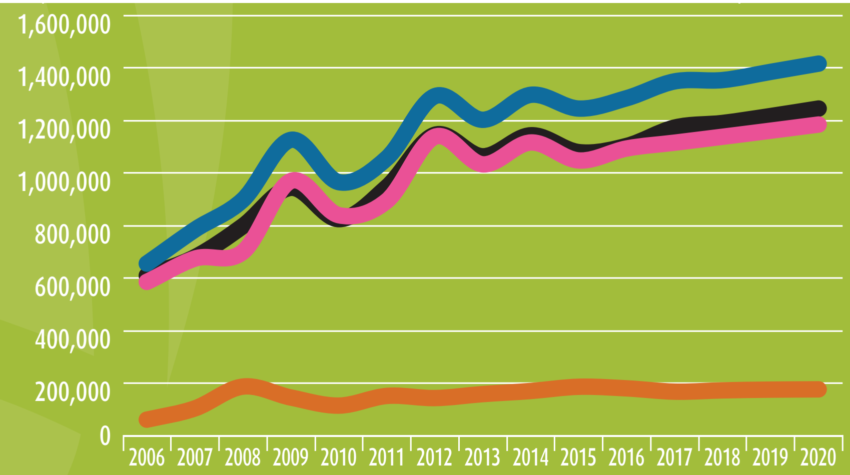
COUNTRY	2007 lbs (mill)	2007 TONNES	2008 lbs (mill)	2008 TONNES	2009 lbs (mill)	2009 TONNES	2010 lbs (mill)	2010 TONNES	2011 lbs (mill)	2011 TONNES	2012 lbs (mill)	2012 TONNES
Chile	22	10,200	19.8	9,000	17.6	8,000	22.0	10,000	22.0	10,000	22.0	10,000
China	3	1,500	2.2	1,000	1.8	800	2.4	1,100	2.6	1,200	2.6	1,200
Greece	26	12,000	26.5	12,000	17.6	8,000	17.6	8,000	17.6	8,000	17.6	8,000
India	2	1,000	2.4	1,100	2.2	1,000	2.5	1,150	2.6	1,200	2.4	1,100
Iran	22	9,979	22.0	10,000	22.0	10,000	26.5	12,000	26.5	12,000	55.1	25,000
Italy	33	14,969	23.1	10,500	13.2	6,000	13.2	6,000	26.5	12,000	27.6	12,500
Morocco	18	8,000	17.6	8,000	19.8	9,000	19.8	9,000	19.8	9,000	19.8	9,000
Others Countries	62	28,000	61.7	28,000	61.7	28,000	61.7	28,000	66.1	30,000	66.1	30,000
Spain	66.14	30,000	77.2	35,000	152.1	69,000	77.2	35,000	110.2	50,000	99.2	45,000
Syria	15	7,000	15.4	7,000	11.0	5,000	11.0	5,000	11.0	5,000	11.0	5,000
Tunisia	22	10,000	22.0	10,000	26.5	12,000	26.5	12,000	26.5	12,000	27.6	12,500
Turkey	21	9,500	20.9	9,500	30.3	13,750	35.3	16,000	35.3	16,000	35.3	16,000
Total	313	142,148	311.1	141,100	376.0	170,550	315.8	143,250	366.8	166,400	386.5	175,300
United States	1,117	506,527	1,383.0	627,318	1,614.6	732,370	1,405.9	637,706	1,628.2	738,539	2,020.3	916,393
Australia	59	26,882	57.3	26,006	80.3	36,403	86.2	39,081	83.0	37,626	109.3	49,585
TOTAL World Prod'n	1,489	675,556	1,751.4	794,424	2,070.9	939,323	1,807.9	820,036	2,078.0	942,565	2,516.1	1,141,278

COUNTRY	2013 lbs (mill)	2013 TONNES	2014 lbs (mill)	2014 TONNES	2015 lbs (mill)	2015 TONNES	2016 lbs (mill)	2016 TONNES	2017 lbs (mill)	2017 TONNES
Chile	22.0	10,000	22.0	10,000	28.7	13,000	26.46	12,000	30.86	14,000
China	-	-	-	-	-	-	-	-	-	-
Greece	11.0	5,000	11.0	5,000	8.8	4,000	16.53	7,500	6.61	3,000
India	-	-	-	-	-	-	-	-	-	-
Iran	33.1	15,000	33.1	15,000	33.1	15,000	33.07	15,000	33.07	15,000
Italy	11.0	5,000	19.8	9,000	16.5	7,500	16.53	7,500	16.53	7,500
Morocco	13.2	6,000	19.8	9,000	24.3	11,000	24.25	11,000	24.25	11,000
Others Countries	66.1	30,000	66.1	30,000	-	-	66.14	30,000	66.14	30,000
Spain	70.5	32,000	133.9	60,750	145.4	65,957	101.12	45,866	112.33	50,954
Syria	-	-	-	-	-	-	-	-	-	-
Tunisia	28.7	13,000	30.9	14,000	33.1	15,000	33.07	15,000	33.07	15,000
Turkey	33.1	15,000	22.0	10,000	28.7	13,000	28.66	13,000	28.66	13,000
Total	288.8	131,000	358.8	162,750	318.5	144,457	345.83	156,866	351.54	159,454
United States	1,885.0	855,022	2,009.7	911,585	1,870.0	848,218	1,895.0	859,558	2,050.0	929,864
Australia	161.7	73,361	143.4	65,060	181.9	82,509	181.5	82,333	175.2	79,461
TOTAL World Prod'n	2,335.5	1,059,382	2,511.9	1,139,394	2,370.4	1,075,184	2,422.3	1,098,757	2,576.7	1,168,779

Total global almond production in 2017 was 1.17 million tonnes

WORLD ALMOND SUPPLY VS DEMAND

SUPPLY
CONSUMPTION
PRODUCTION
CARRY-OUT



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Almonds account for 62% of Australian tree nut production

australian almonds

ALMOND BOARD OF AUSTRALIA

Australian Almond Insights 2017-18 can be downloaded from www.australianalmonds.com.au