How the U.S. Almond Industry Exported Its Way to Domination of the World Market

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Blue Diamond Growers
History of Almond Production

- Almonds have a long history before appearing in California
  - The Bible first mentioned international almond trade nearly 4,000 years ago
    - “…Put some of the best products of the land in your bags and take them down to the man as a gift—a little balm and a little honey, some spices and myrrh, some pistachio nuts and almonds.”
  - Climate surrounding the Mediterranean was ideal, beginning in Israel, Turkey
  - Spread westward into Greece, Italy, Spain and North Africa ~350 B.C.

- California production began in the 1840-1850’s
- 1860 - almond orchards existed from Los Angeles to Yuba City
- Today the California almond industry produces over 80 percent of the world supply, California’s largest food export!
History of California Almond Production

It took 70 years to attain 406mm pounds....

Millions pounds

- 1910: 5 million pounds
- 1977: 308 million pounds
- 1981: 406 million pounds
History of California Almond Production

But in the following 30 years the industry grew by 1.6 billion pounds.

It took 70 years to attain 406mm pounds.....
Blue Diamond’s History

- 1910; 230 growers form the California Almond Growers Exchange
- Today the cooperative numbers more than 3,000

The name has since evolved to Blue Diamond Growers, a brand that has become synonymous with quality almonds worldwide.
Blue Diamond has led the industry since inception. Today we are the global leader in growing, processing and marketing almonds and almond ingredients.
Blue Diamond Charters New Territory

1960’s – Japan

Japan Today
Blue Diamond Opening Markets...

India 1970’s

India Today
Blue Diamond Opening Markets...

China 1975

China Today
Blue Diamond Opening Markets...

Two Faces of Modern Day Turkey
California Almond Industry

Export Value

2008 2009 2010 2011

$1,899 $1,923 $2,393 $2,828

49% Growth Between 2008 - 2011

50,000 Jobs Are Generated by the Almond Industry
California Almond Exports Over The Years

- USA
- Europe
- Asia
- Middle East
Growth in Asia

- 1980
- 1990
- 2000
- 2005
- 2011

China
India
Japan
Other

Global Ingredients Division
China’s Rapidly Growing Middle Class

Number of Households (millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Households</th>
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<tbody>
<tr>
<td>2006</td>
<td>120.4</td>
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<tr>
<td>2011</td>
<td>239</td>
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99% Growth
News: July 2002 – Today The California Almond Board Reported 21.8 Million Pounds of Almonds Exported to China for the Current Crop Year

By 2011 Almond Exports to China will Reach Nearly 240mm Pounds a Year
Almond Shipments to China Have Grown Nearly 1000%
How...

• Requires long-term perspective
  o Available supply
  o Global reach
  o Long-term investment

• Understand and respect different cultures
  o Be “in” the market

• The economics (e.g., middle class) must be in place
  o Purchase habits change as consumer behavior evolve

• Know and use resources
  o FAS
  o USTR
Lessons Learned…

• Find and work with trusted partners
  o Agents
  o Customers

• Be aware of obstacles
  o In-Geo competition
  o Restraints of Trade
    • Tariff
    • Non-Tariff

• Have a great product!!!
  o Blue Diamond and the California almond industry have been growing together for over 100 years