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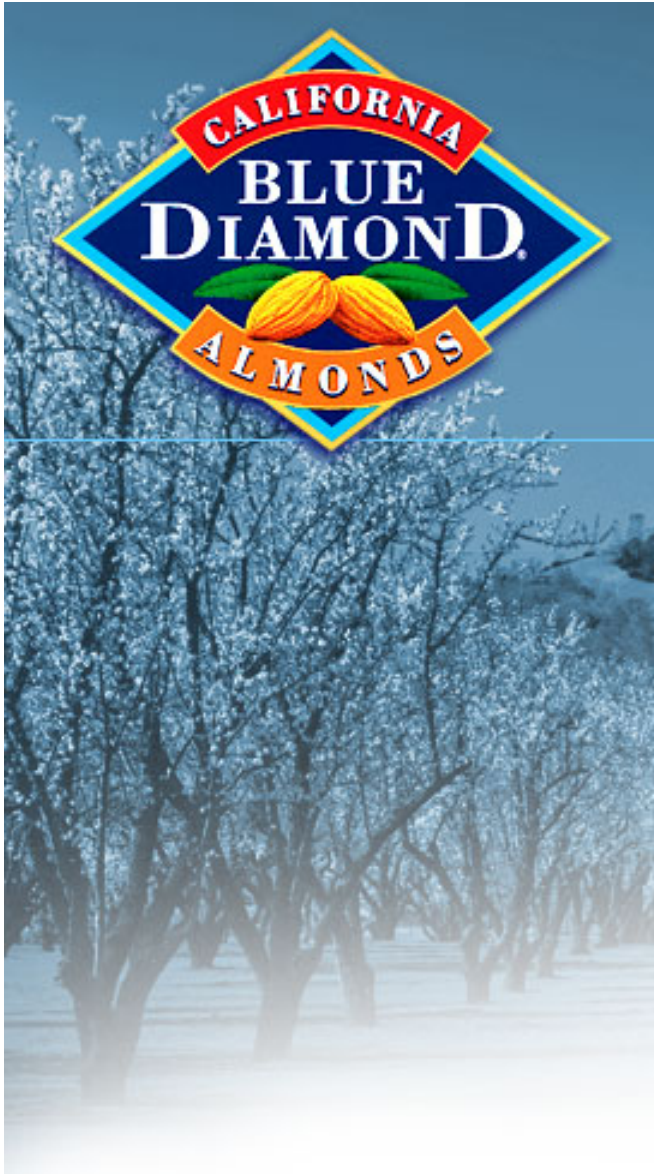
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Agricultural Outlook Forum

Presented: February 16, 2006

TARGETING OPPORTUNITIES AND MANAGING CHANGE: A PERSPECTIVE  
FROM BLUE DIAMOND GROWERS

Dale Darling  
Manager of International Sales  
Blue Diamond Growers



# Strategic Thinking for Global Operations: The Case of Blue Diamond Growers

Dale Darling

Export Industrial and  
Retail Sales

February 16, 2006



# Overview

- California Almond Industry
- California Production and Shipments
- World Almond Production
- Effects of Almond Pricing
- Increased Plantings and Future Supplies
- Major Markets



## Overview- continued

- Almond Usage
- Almond Nutrition Facts
- Education
- Strategy to marketing almonds



# California Almond Industry Overview

- Approximately 6,000 Almond Growers
- 570,000 bearing acres
- 900 million pounds
- 115 handlers
- 80% of world's production
- Virtually 100% of domestic needs
- Data from Almond Board of California



# ALMONDS

- California's largest tree nut crop in Value and Acreage
- 2005-06 valued at \$2.7 Billion
- The largest U.S. Horticultural export
- Exported to 83 countries in 2004-05



# Natural Almonds







## Dollar Value by Crop Year

Crop Year	Farm Value (000)
2000-01	\$666,487
2001-02	\$740,012
2002-03	\$1,200,687
2003-04	\$1,600,144
2004-05	\$2,189,000
2005-06	\$2,724,876



## California Almond Crop

*North Counties: Approx. 15%*

*Central Counties: Approx. 50%*

*Fresno County Areas. Approx. 15%*

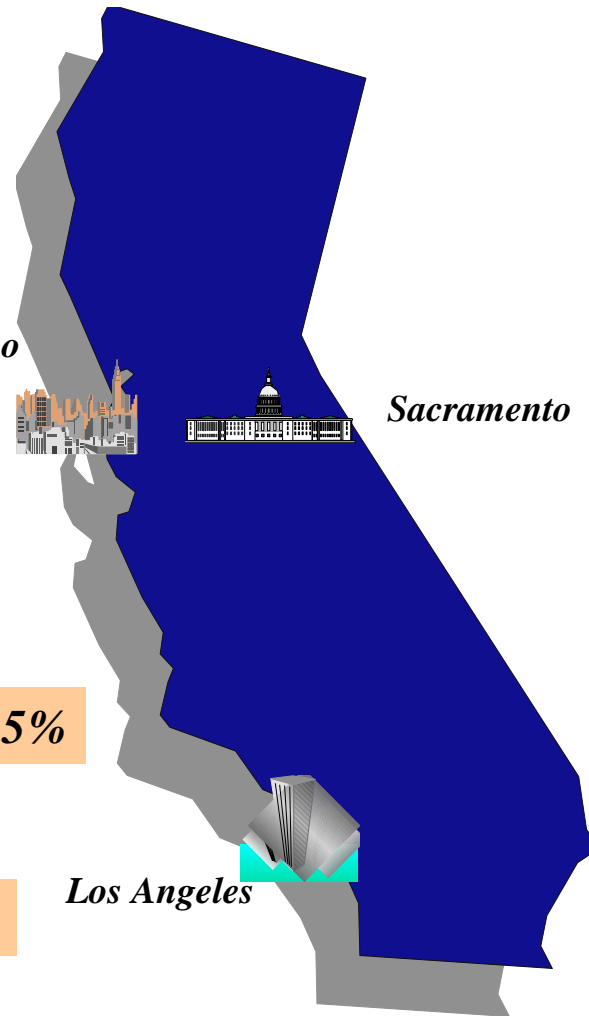
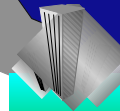
*Kern County. Approx. 20%*

*San Francisco*



*Sacramento*

*Los Angeles*

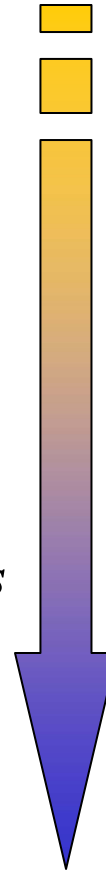




# California Almond Crop Time Line

*January*  
*February*  
*March*  
*April*  
*May*  
*June*  
*July*  
*August*  
*September*  
*October*  
*November*  
*December*

*Dormant*  
*Bloom*  
*Nut Maturity*  
*Hull Splits & Dries*  
*Harvest*  
*Leaf Fall*  
*Dormant*

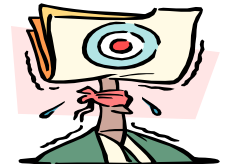


*Rain / Frost / Wind*  
*Considerations*

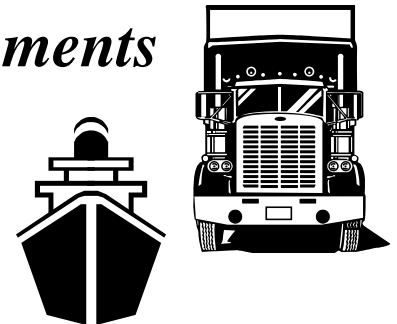


*Subjective Estimate*

*Objective Estimate*



*Heavy Shipments*



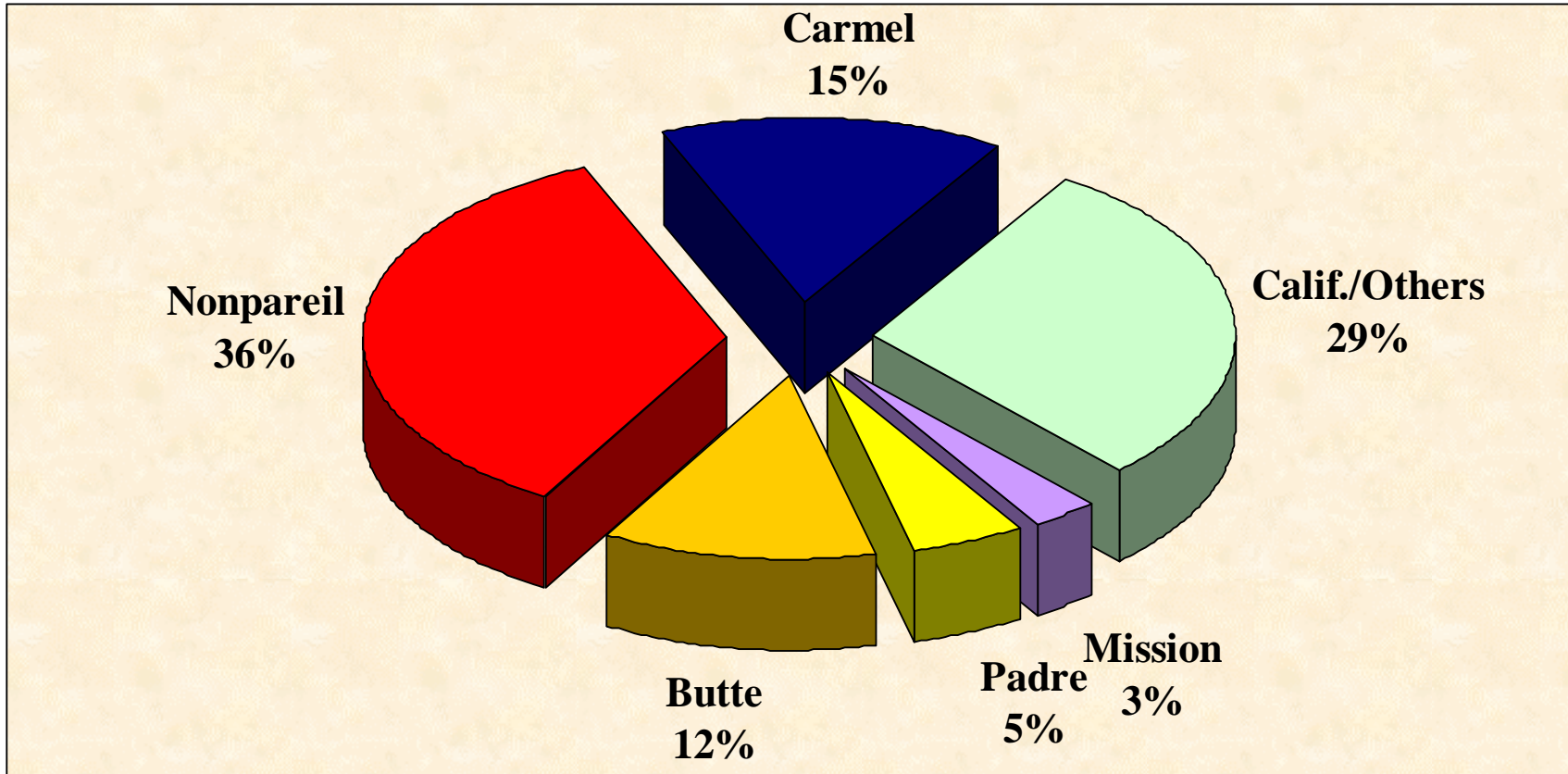


# Almond Bloom



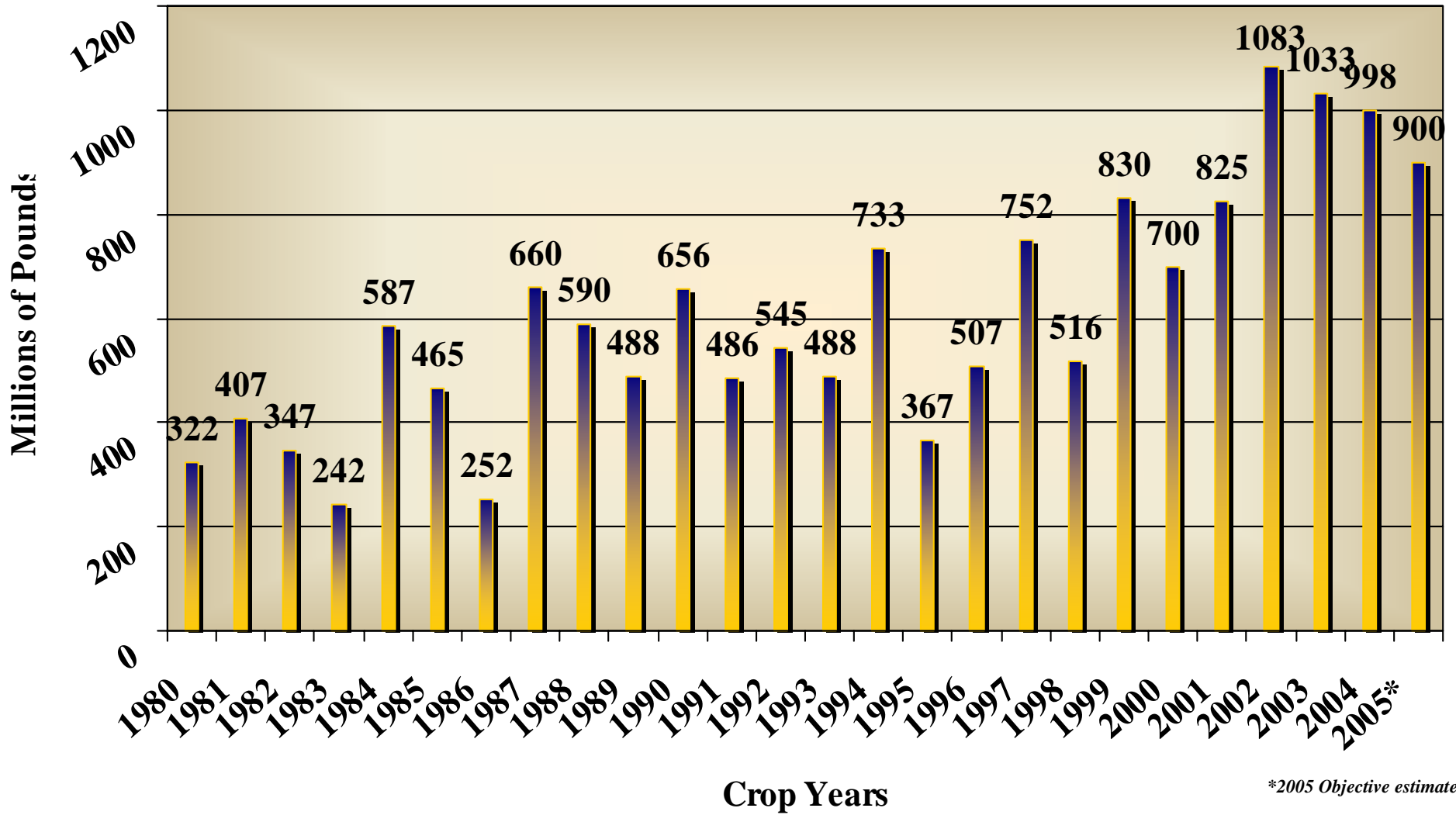


## California Almond Acreage by Variety – 2004





# California Almond Crop 1980 – 2005

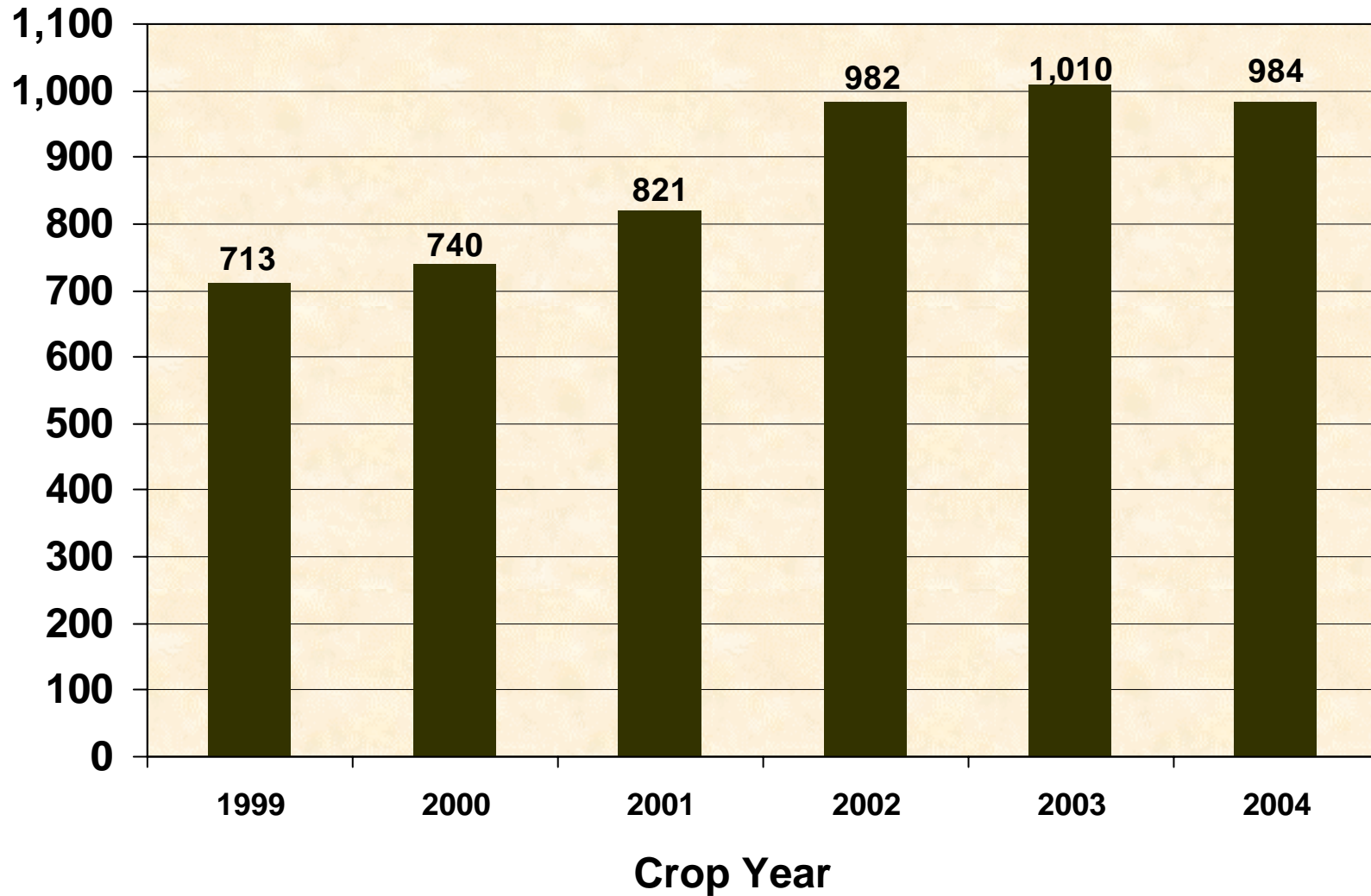


\*2005 Objective estimate



# California Shipments

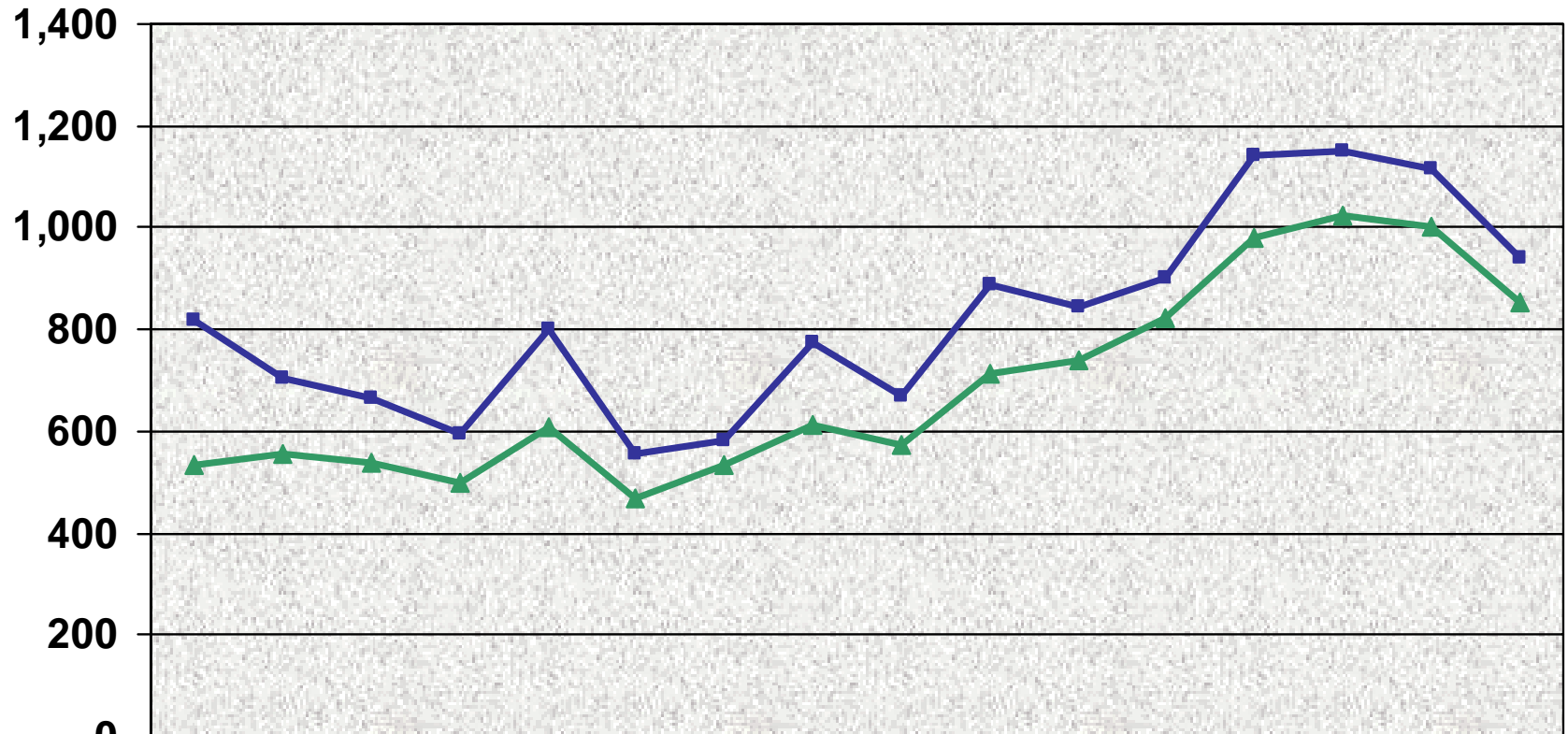
Million Pounds





# California Almond Supply & Consumption

Million Pounds

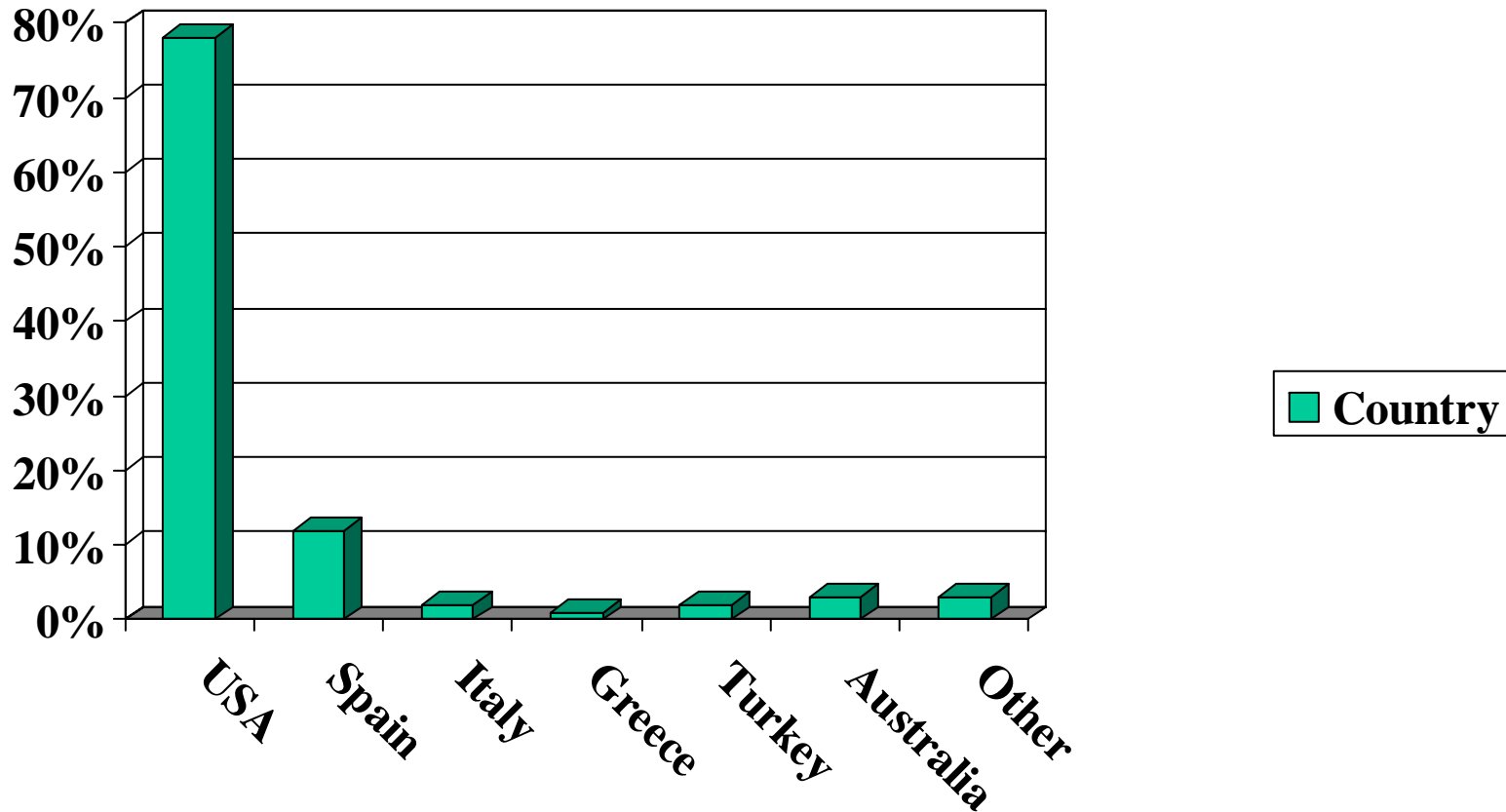


	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
■ Calif. Supply	819	706	664	597	799	556	580	775	668	888	845	902	1144	1152	1117	942
▲ Calif. Shipments	534	556	536	498	609	468	533	612	573	713	740	821	982	1024	1000	854





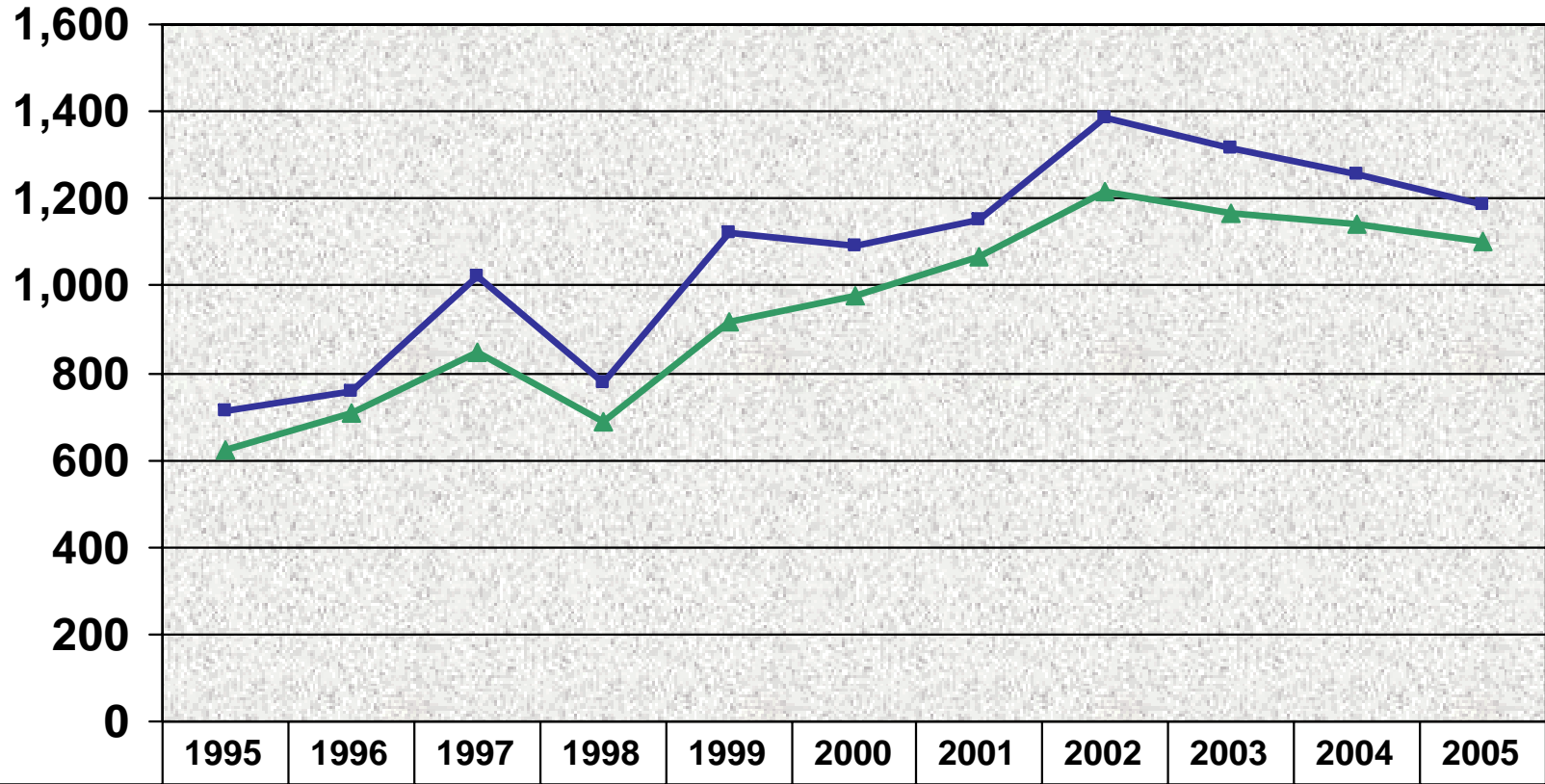
# 2004-05 World Almond Supply





# World Almond Supply & Consumption

Million Pounds

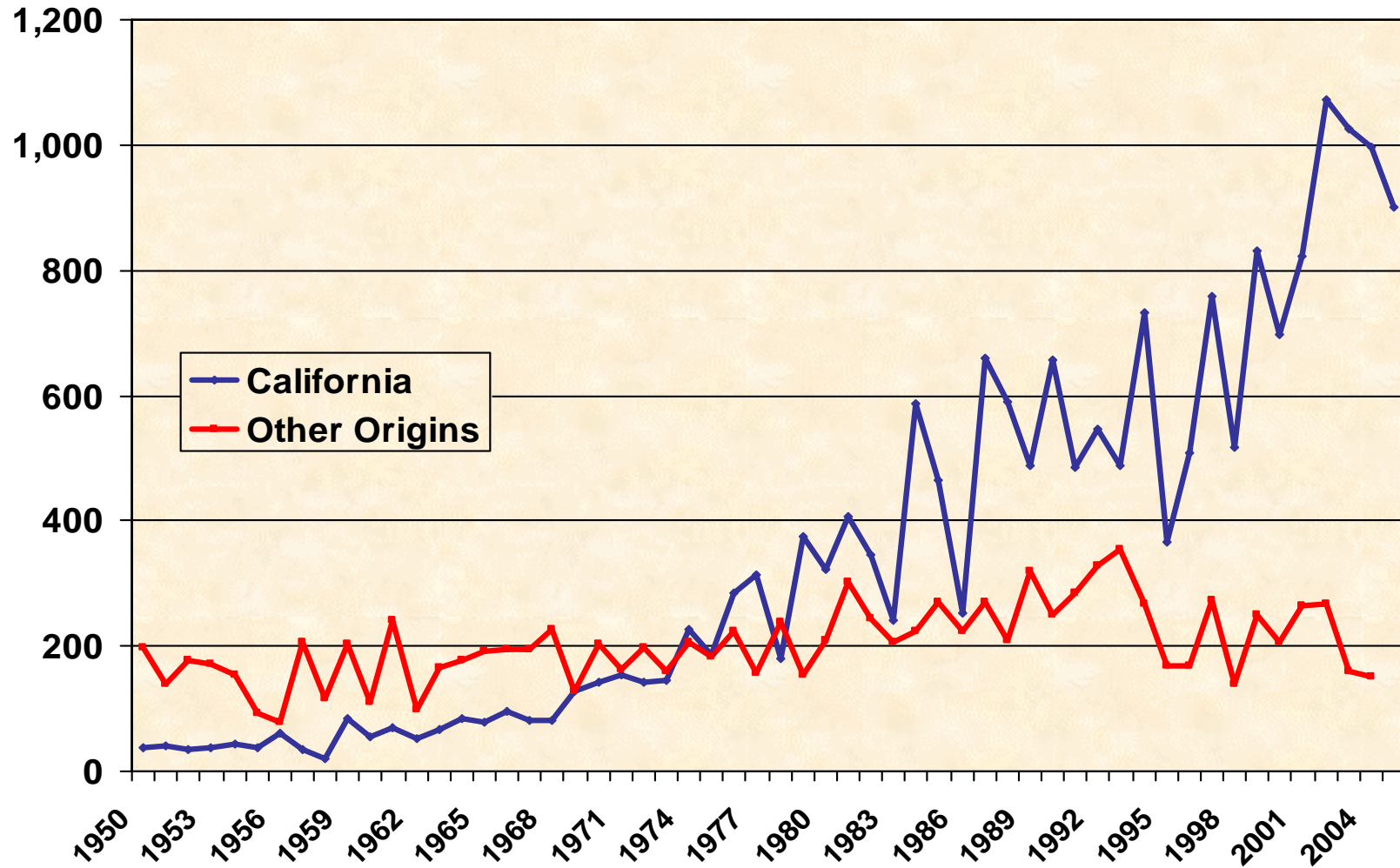


■ World Supply	714	758	1021	779	1123	1093	1150	1387	1314	1258	1188
▲ Consumption	621	710	849	687	918	975	1069	1217	1165	1141	1100



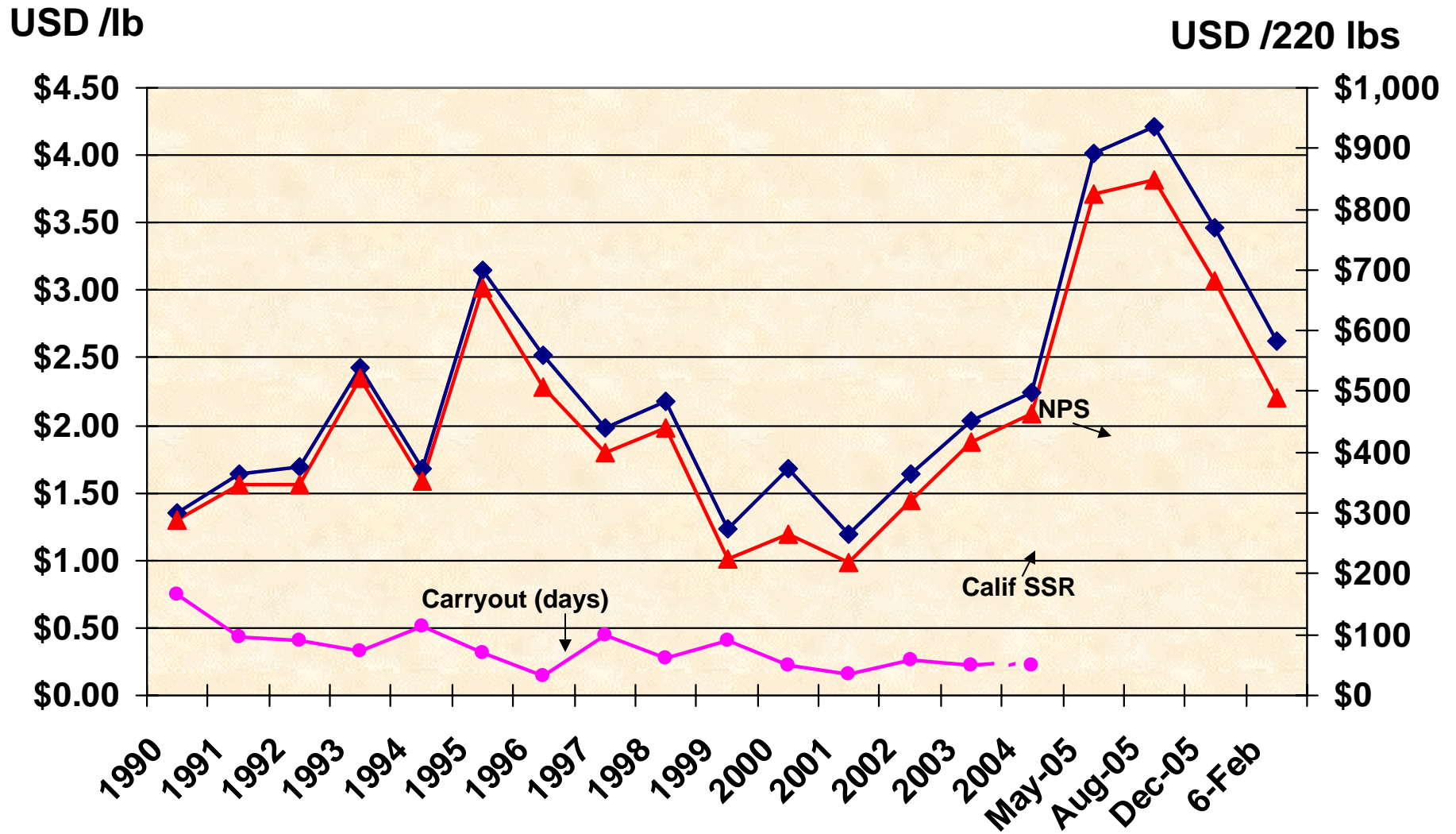
# Historical Almond Production

Million Pounds





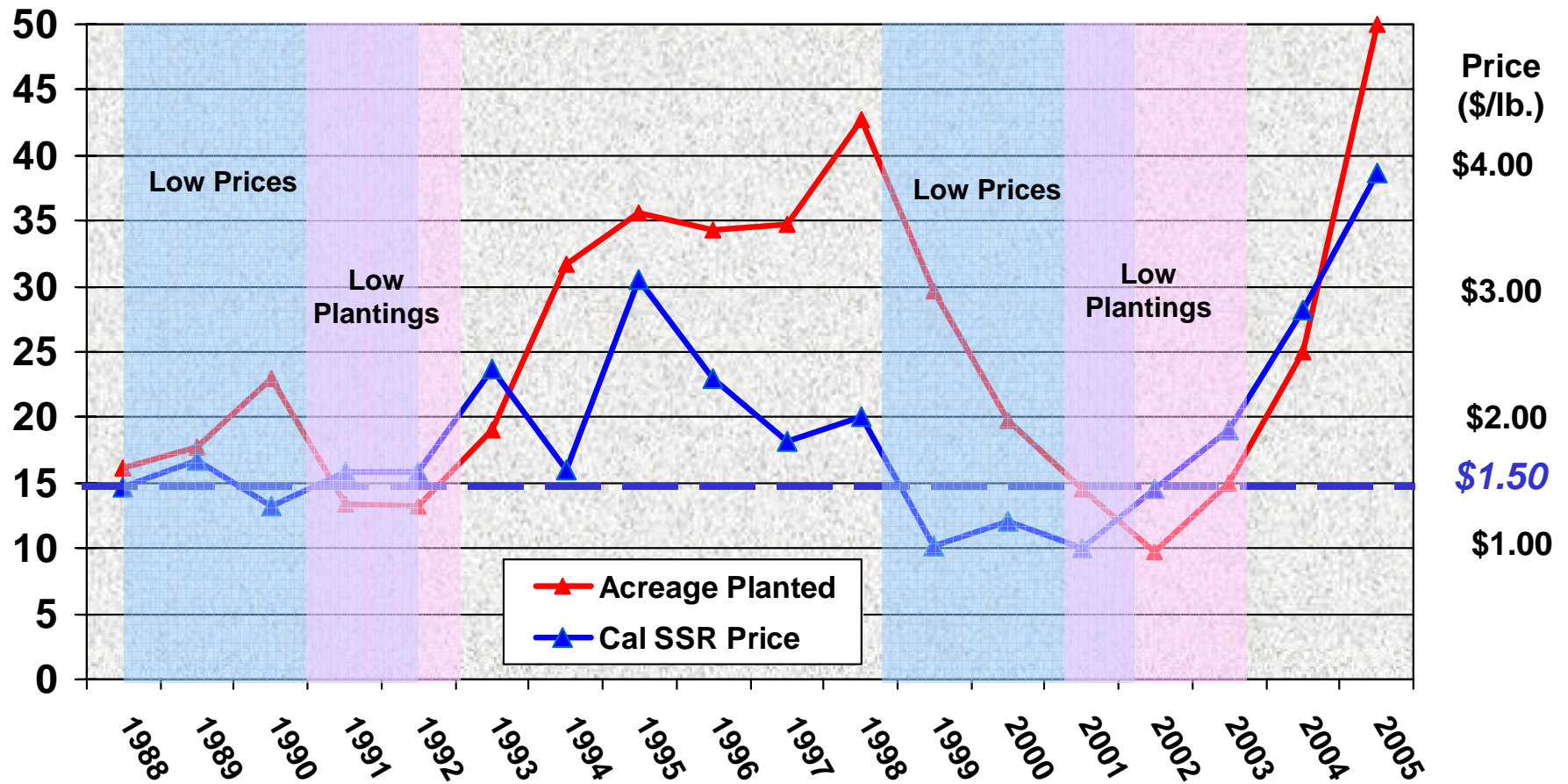
# California Almond NPS / Calif SSR Price History





# Effect of Almond Prices on New Acreage Planted

Acreage Planted  
(000's)





# California Almond Bearing Acreage

Acreage

800,000

700,000

600,000

500,000

400,000

300,000

200,000

100,000

0

1980

1982

1984

1986

1988

1990

1992

1994

1996

1998

2000

2002

2004

2006

2008

2010

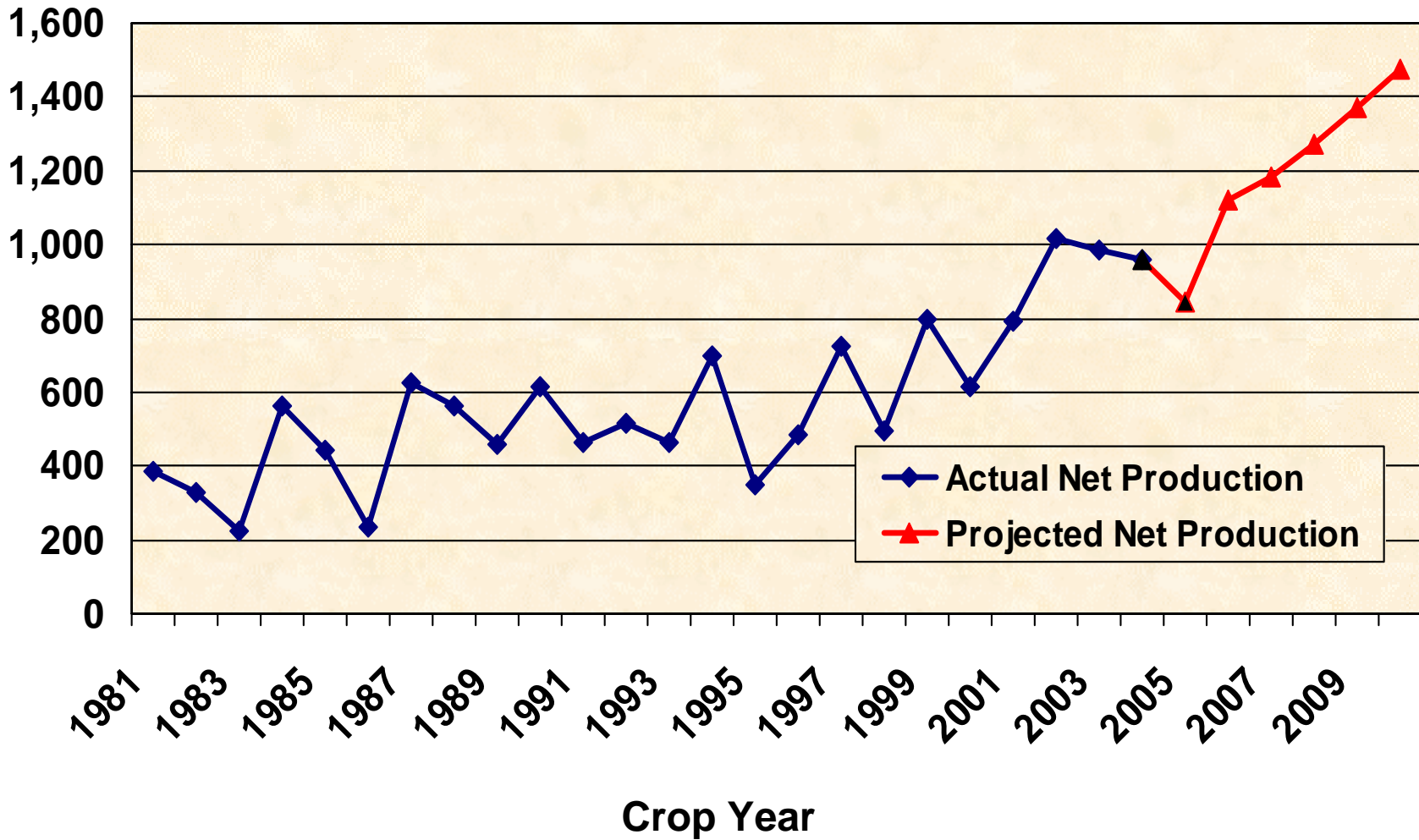
Crop Year

Crop Year	Projected Acreage
2005	570,000
2006	580,000
2007	580,000
2008	630,000
2009	680,000
2010	730,000



# California Almond Crop Production

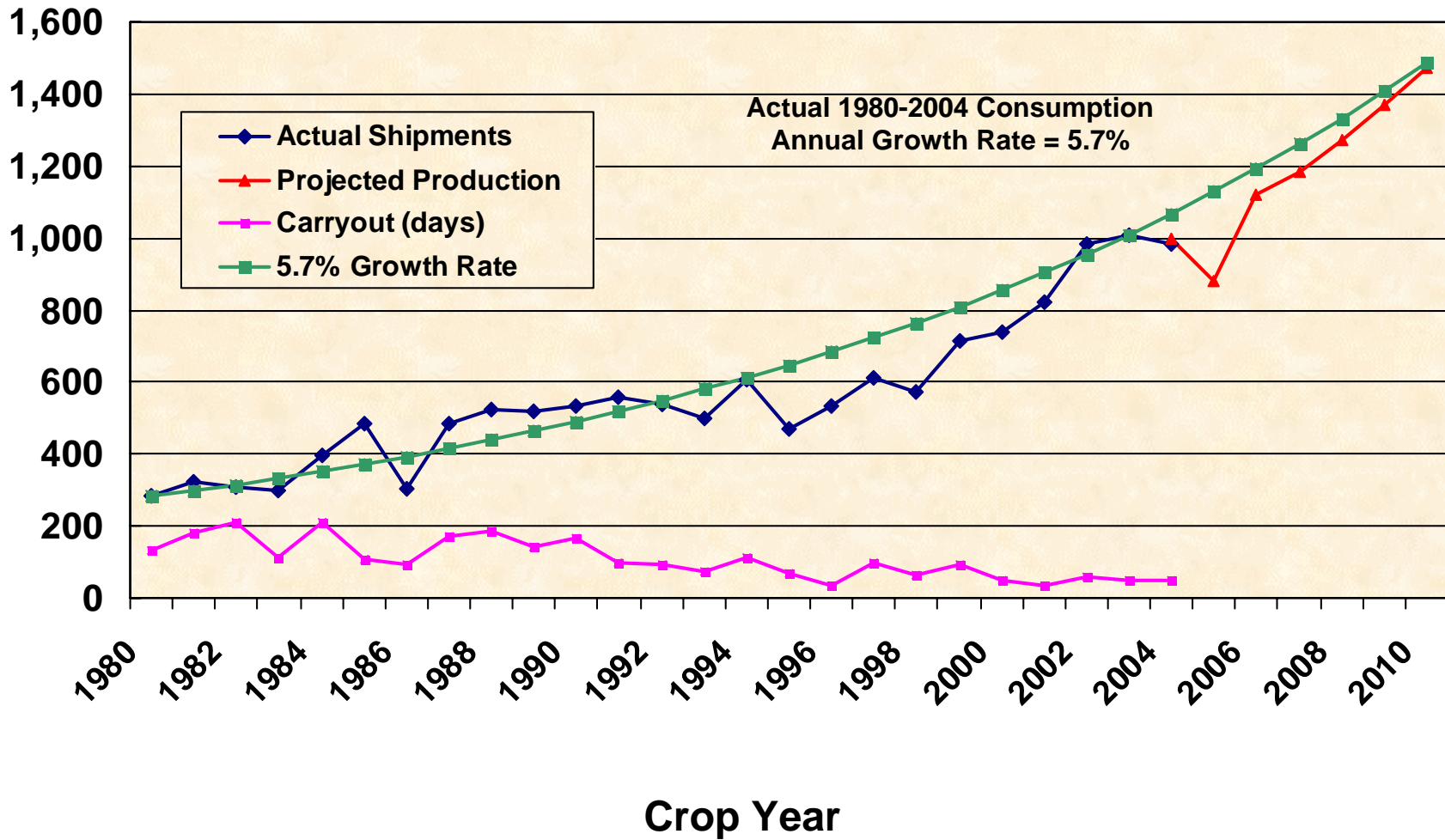
Million Pounds





# California Almond Production/Shipment Trend

Million Pounds

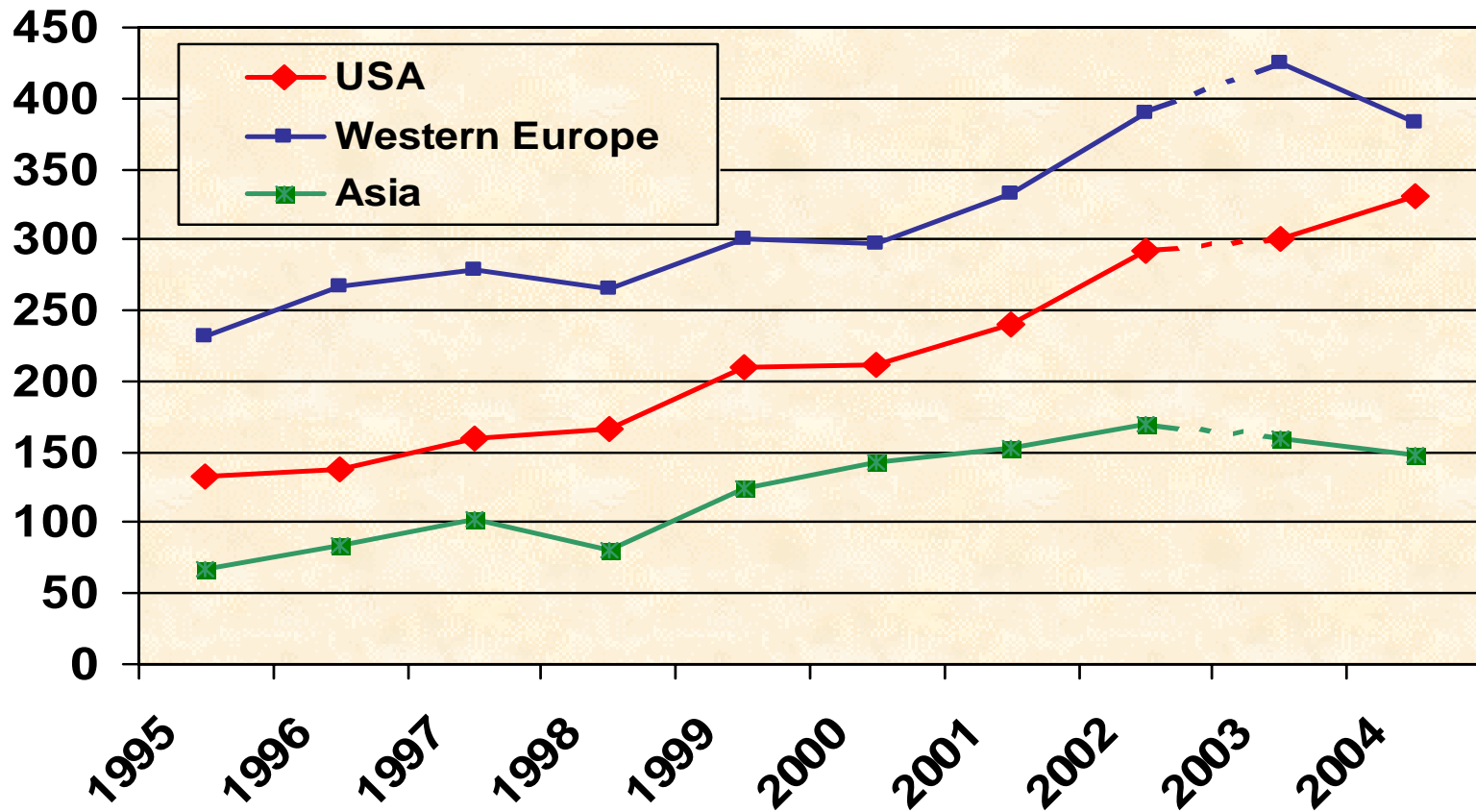






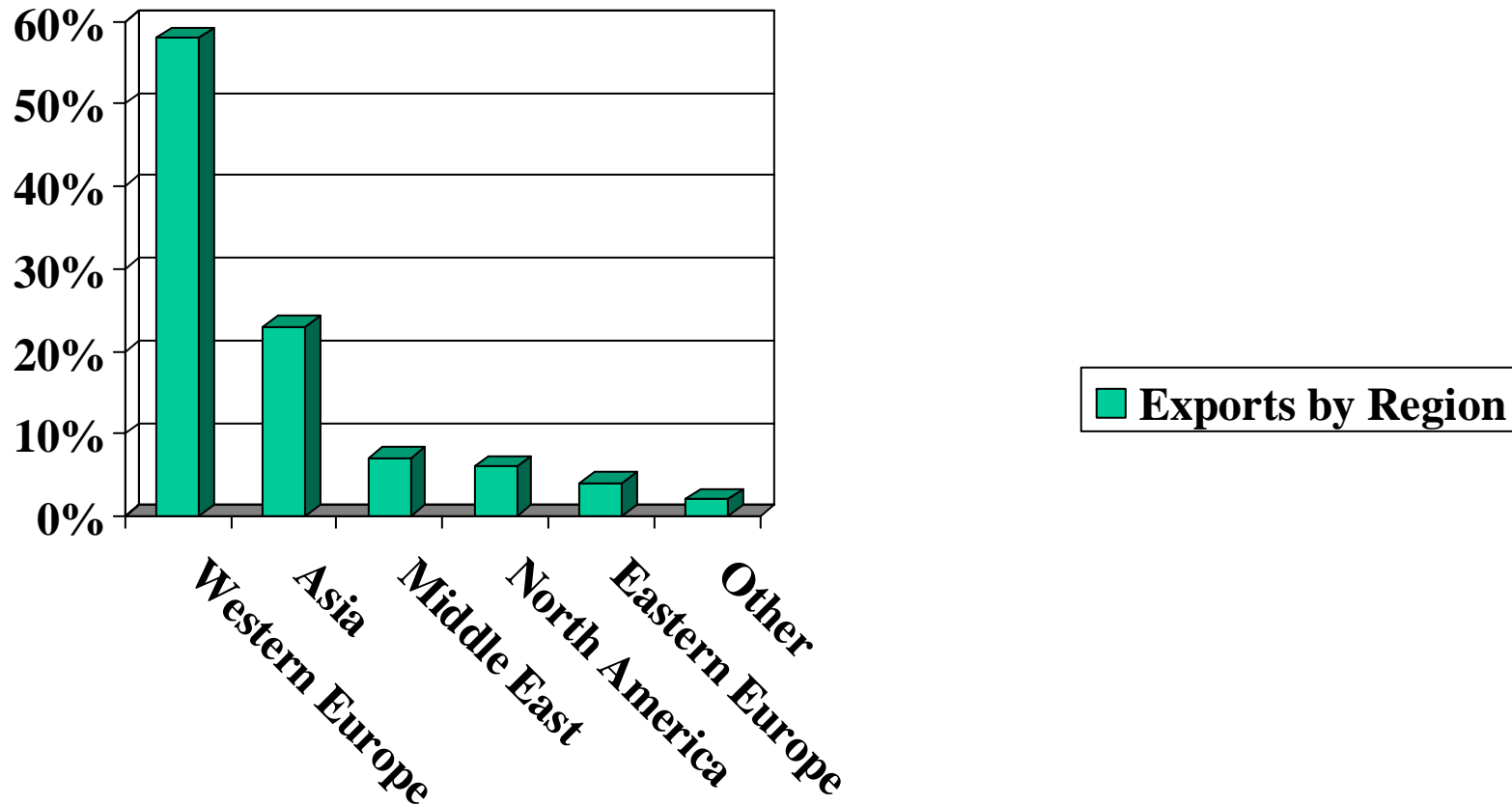
# Almond Consumption Growth in Major Markets

Million Pounds



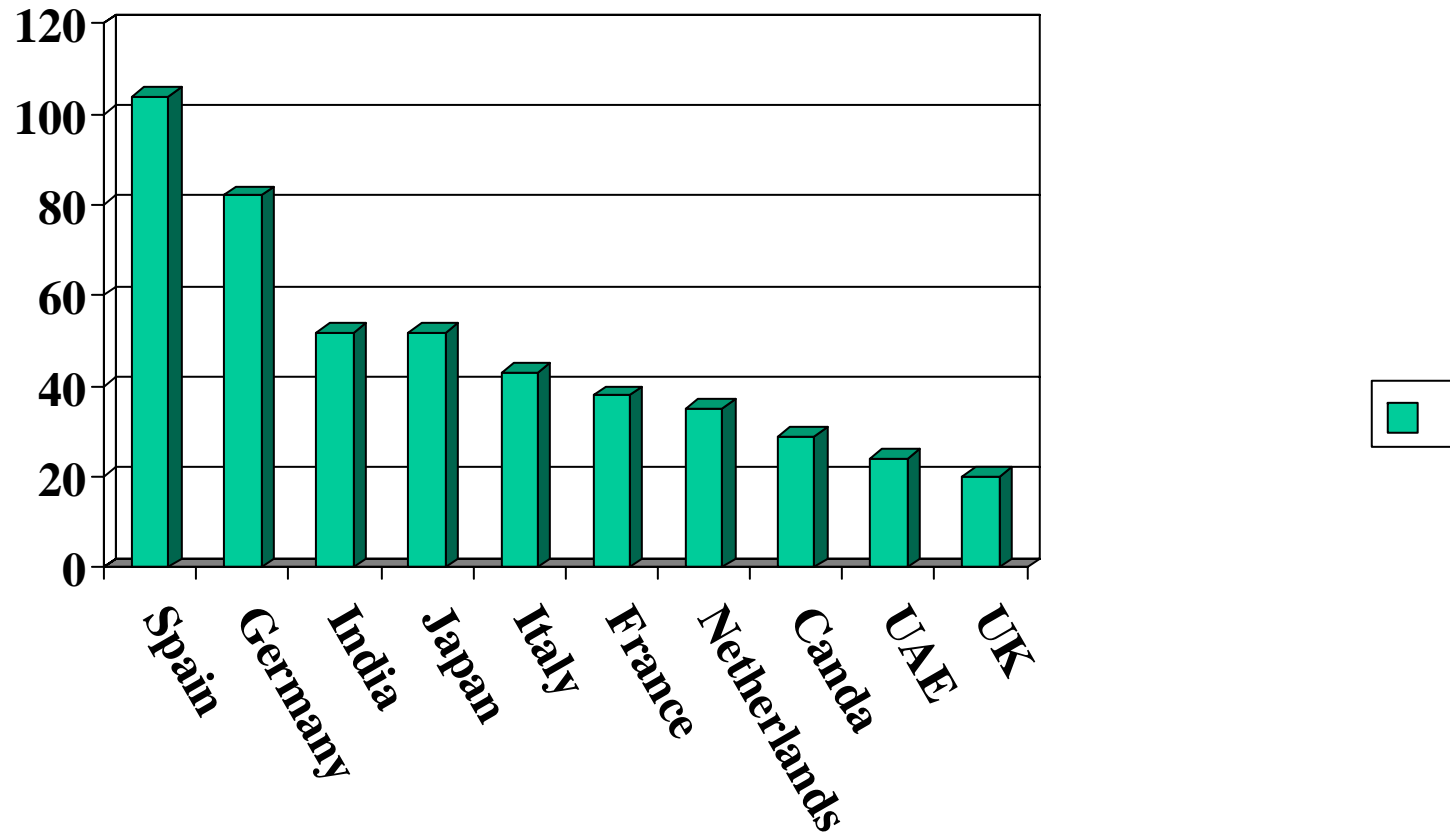


# Exports by Region 2004-05



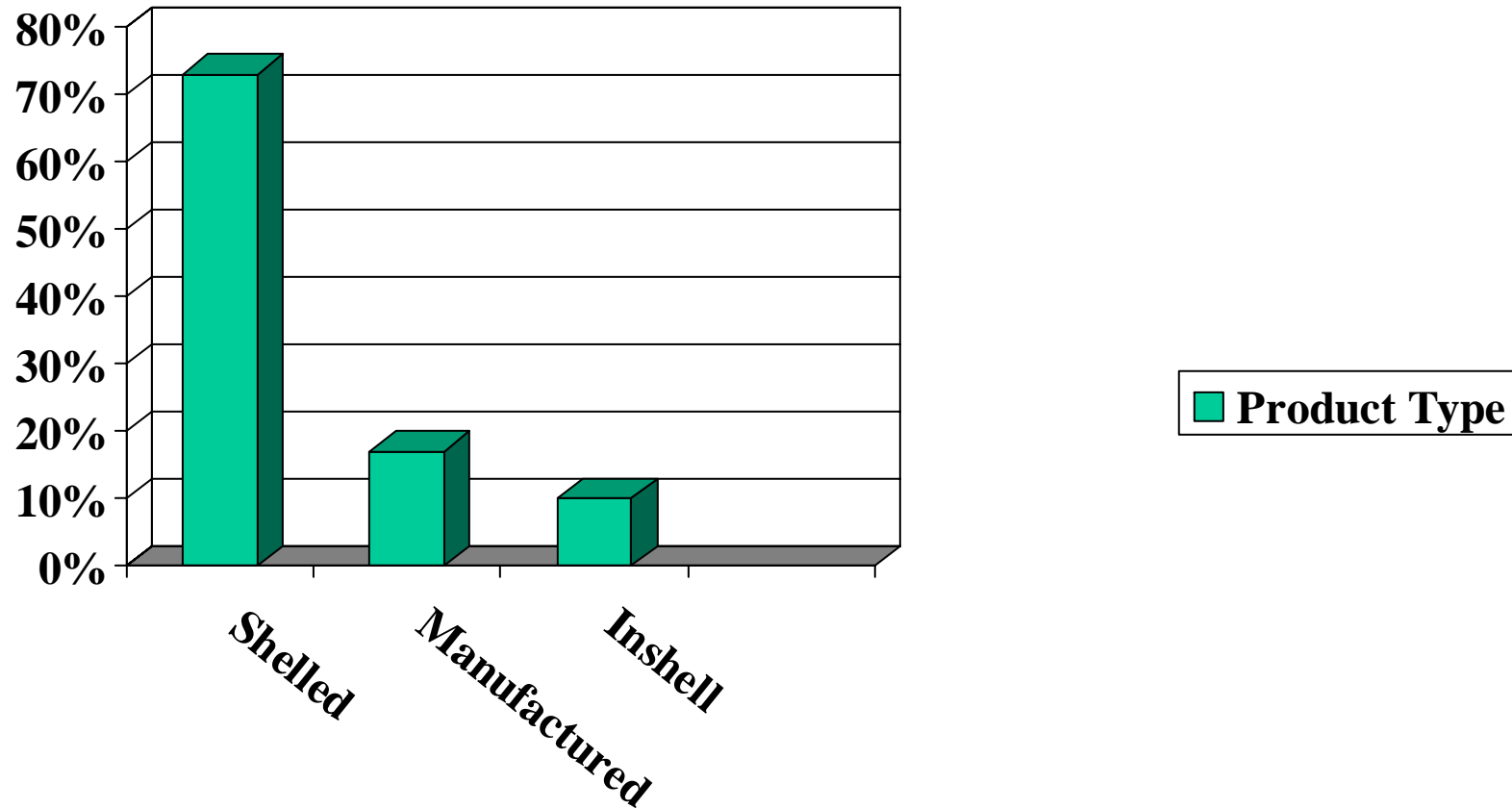


# Top Ten Export Markets 2004-05





# Exports by Product Type





# Almond Examples





# Utilization of Almonds

- Marzipan
- Baking
- Confectionery
- Chocolates
- Snacks
- Cereals
- Ice cream



## Nuts about good health

- Almond promote good health when consumed as part of a healthful diet that is rich in fruits, vegetables, whole grain products, and foods that are low in saturated fats. Almonds are loaded with nutrition, not empty calories, and fit perfectly in consumers' healthy lifestyle and menu planning.



## Almonds Contain

- 35% of the Daily Value for Vitamin E
- 3 grams of Fiber (more than any other nut or seed)
- 6 grams of Protein
- Important Vitamins and Minerals
- No Cholesterol
- 92% Unsaturated Fat (good fat)





# Almond Bloom





# Almond Nutritional Research

- Almonds help maintain healthy hearts
- Almonds help lose weight
- Almonds help prevent diabetes
- Almonds help lower cholesterol
- Research supports the health benefits of almonds. Specific research study references available upon request.



# Blue Diamond Growers

- Al Almond Growers Cooperative with over 3,200 Grower Members.
- Founded in 1910 in Sacramento, CA.
- We work for the farmers to promote California agriculture and healthy eating.
- Our business is approximately 86% bulk industrial almonds and 14% retail almonds.
- Largest Supplier of Almonds in the World.



# Blue Diamond's Marketing Strategy

- Direct relationships with Manufacturers, Retailers, Snack Firms, Bakers, and Industrial users.
- Minimize marketing costs
- Greater understanding of clients' requirements
- Avoid selling to traders/speculators in the industry.
- Service orientated
- Maximize margins on value added products



# Challenges

- Changing market dynamics
- Import Duties/Taxes
- Microbiological-Phytosanitary requirements
- Weather affecting the Crop
- Transportation Issues



# Opportunities

- Almond consumption is growing in Eastern Europe, India, China, and the USA.
- Larger almond crops will allow more favorable pricing to stimulate consumption.
- New products containing almonds
- Global consumer awareness of almonds as a snack item
- Expand consumer awareness of almonds
- Expand retail branded business



# Retail Snack Almonds





SHAKE WELL, SERVE CHILLED

Luscious Taste! Smart Choice!

**BLUE DIAMOND**  
NATURAL

**Almond Breeze**

THE PREFERRED TASTE ALTERNATIVE  
Made From *Real Almonds*

25%  
Fewer  
Calories  
THAN THE LEADING  
SOY BEVERAGES

Smooth & Creamy

**CHOCOLATE**

Non-Dairy Beverage

32 FLUID OZ (1QT) 946 mL

SHAKE WELL, SERVE CHILLED

Luscious Taste! Smart Choice!

**BLUE DIAMOND**  
NATURAL

**Almond Breeze**

THE PREFERRED TASTE ALTERNATIVE  
Made From *Real Almonds*

25%  
Fewer  
Calories  
THAN THE LEADING  
SOY BEVERAGES

Smooth & Creamy

**VANILLA**

Non-Dairy Beverage

32 FLUID OZ (1QT) 946 mL

SHAKE WELL, SERVE CHILLED

Luscious Taste! Smart Choice!

**BLUE DIAMOND**  
NATURAL

**Almond Breeze**

THE PREFERRED TASTE ALTERNATIVE  
Made From *Real Almonds*

50%  
Fewer  
Calories  
THAN THE LEADING  
SOY BEVERAGES

Smooth & Creamy

**ORIGINAL**

Non-Dairy Beverage

32 FLUID OZ (1QT) 946 mL





# New Flavors





# Nature's Healthy Snack





# THANK YOU

- Blue Diamond Growers appreciates your interest and business for our wonderful tasting high quality almonds!!!