

Final Report

Australia Fresh Collaboration Market Development Program - Almonds

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Delivery partner:

Almond Board of Australia

Project code:

AM15007

Project:

Australia Fresh Collaboration Market Development Program – Almonds AM15007

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Summary

The Almond Board of Australia has developed, managed and executed a continuous, industry-wide Export Market Development Program for 16 years. During this period, exports of Australian almonds have grown from approximately 2,000 tonnes to over 60,000 tonnes.

The Australian Almond Export Market Development Program has developed a successful model for growing export volume through a coordinated and collaborative matrix of market access, maintenance and development activities including international trade exhibitions, trade seminars and trade communications.

The objective of participating in AM15007, the Australia Fresh Collaborative Market Development Program – Almonds, is to develop a strategic growth trajectory for Australian almond exports as Australian almond production moves into a significant growth phase.

The focus of AM15007 is to grow Australian almond exports to the broad Asian region: from the West Asian region of the UAE to the East Asian region of Japan. This breadth of scope for the Australian almond industry includes the Established Market of the Middle East to the Emerging Markets of China and Japan.

Keywords

Established Markets

Emerging Markets

Trade Exhibitions

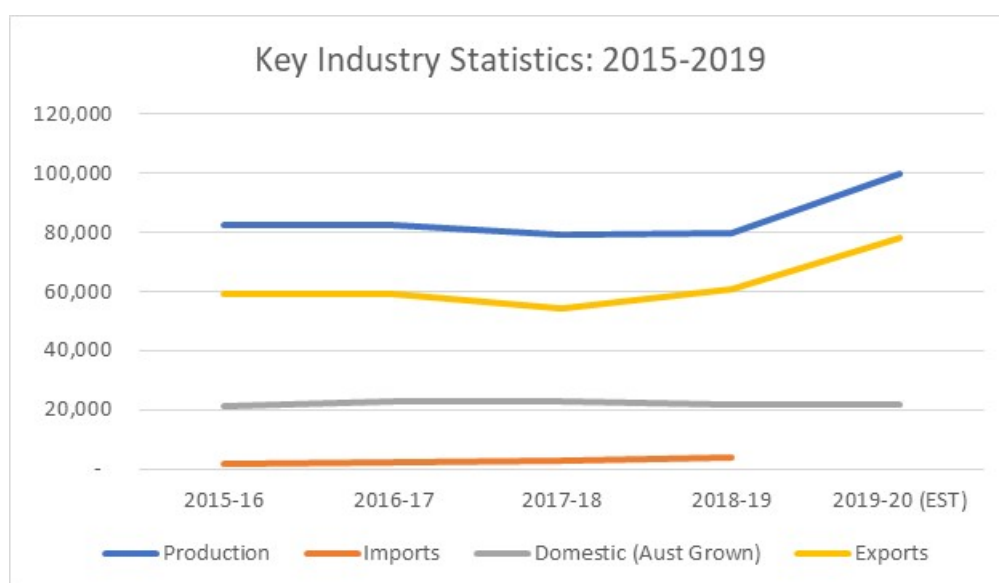
Trade Communications

Introduction

The table and graph below highlight the key industry statistics that have driven our export results of the past three years. The most important statistic relates to production. Australian almond production was negatively impacted from numerous horticultural issues during the 2016, 2017 and 2019 crop years. These issues included poor weather during the blossom season, excessive heat prior to hull split in summer and extensive insect damage. These issues resulted in crop volumes below forecast.

	2015-16	2016-17	2017-18	2018-19	2019-20 (EST)
Production	82,509	82,333	79,461	79,901	100,000
Imports	1,708	2,538	3,092	4,106	
Domestic (Aust Grown)	21,208	22,654	23,074	21,662	22,000
Exports	59,307	58,963	54,343	60,889	78,000

The crop volumes for 2016, 2017 and 2018 were significantly less than modelled and as a result the export volumes were limited by these production issues. However, a good growing season for the 2019 crop has seen production volume rebound and forecast to exceed expectations. The 2019 crop is estimated to exceed 100,000 tonnes, setting a new record. Export volumes for the 2019-20 marketing year are also forecast to achieve a record of more than 75,000 tonnes.



The objective of participating in AM15007, Australia Fresh Collaboration Market Development Program - Almonds, is to grow Australian almond export markets to meet the needs of forecast production growth. As this project is part of Hort Innovation's 'Asian Markets' program, the key objectives of AM15007 are:

- to continue to grow our Established Markets of Central and West Asia
- to increase market share in our Emerging Markets of North-East and South-East Asia
- to leverage the opportunities presented to Australian Almonds by the Free Trade Agreements between Australia and Japan, Korea and China.

The context for the importance of AM15007 is that the Australian almond industry's growth needs to be achieved against the market dominance of the Californian almond industry. The Californian almond industry produces and markets more than 80% of the world's almonds. Australia's global market share of almonds is approximately 8%.

Methodology

The principal methods used in project AM15007 were trade exhibitions, outbound market visits and on-going trade communication. The Australian almond industry segments its export marketing into two: namely the Established Markets of India and the Middle East and the Emerging Markets of China and Japan.

Trade Exhibitions for the Established Markets of India and the Middle East & African region:

The Australian almond industry exhibited at the Gulfoods Trade Exhibition, held annually in Dubai in 2017, 2018 and 2019. This exhibition attracts the Australian almond industry's key Indian almond customers as well as customers from the Middle East and African markets.

Gulfoods 2017:

This exhibition was conducted February 26 to March 2. The Australian almond booth was nine metres by three metres and located in the Australian Pavilion directly beside the Australia Fresh stand.

The 2017 Gulfoods Trade Mission also included an important customer seminar and networking event on the third evening of the exhibition (February 28). Ross Skinner, the CEO of the Almond Board of Australia delivered an Industry Update with all the Australian exporters available for a Question and Answer session. This event was attended by more than 60 customers.



Gulfoods 2018:

The 2018 Gulfoods Exhibition was conducted from February 18 to 22. The Australian almond industry's 2018 trade mission to Gulfoods was expanded to include a unique trade engagement activity: an indoor cricket match between a team of Australian almond exporters and a team of Indian almond customers.

The core of the 2018 Australian Gulfoods trade event was the nine metre by three metre exhibition booth. The creative was updated in 2018 to feature an Australian almond orchard ready for harvest across the 9 metre backwall.

One of the key strengths of Gulfoods is its timing: i.e. it takes place as the Australian harvest is underway. By way of comparison, the Californian harvest is in blossom. The Australian almond industry is able to offer fresh almonds for the March to July period prior to the commencement of the Californian harvest in August.



A customer seminar and networking event was held on the third evening of the Gulfoods Exhibition at the Novotel Trade Center (adjoining the Exhibition Center). The CEO of the Almond Board of Australia led the Seminar with an Industry Presentation, with particular reference to forecasts for the 2018 crop.



The innovation of the 2018 Gulfoods Trade Mission was the cricket match between the Australian almond exporters and their Indian customers. This was a unique opportunity to leverage a cultural connection not available to the Californian almond industry.

Gulfoods 2019:

The 2019 Gulfoods Exhibition was conducted from February 17 to 21.. The Australian Almonds trade mission to the 2019 Gulfoods Exhibition included the three key elements of the previous year: a nine metre by three metre trade exhibition; a customer seminar and networking event and our second indoor cricket match with our Indian customers.



The 2019 Australian Almonds Gulfoods exhibition booth featured a nine metre backwall that featured our orchards full of almonds ready for harvest. It also featured a side wall shelf unit that displayed a full range of almond products: i.e. kernel, blanched meal, slivered and flaked almonds.

The 2019 Gulfoods customer seminar and networking event was held on February 19. The CEO of the Almond Board of Australia, Mr Ross Skinner, delivered an industry update. A key feature of this presentation was a video summary of the extensive on-farm work conducted over the past 12 months to reduce the negative impact of pest damage.



The 2019 Gulfoods Trade Mission also included the second indoor cricket match between the Australian almond exporters and their Indian almond customers. This networking event is a unique opportunity for the Australian almond industry to leverage a cultural connection not available to the Californian almond industry.



Trade Exhibitions for our Emerging Market in China;

During the project period, the Australian almond industry participated in two trade exhibitions in China per year: namely, Sial China in 2017, 2018 and 2019; Asia Fruit Logistica in 2016 and 2017; and the China Tree Nut Conference in 2017 and 2018.

Sial China 2017, Shanghai:

Sial China is an annual exhibition. In 2017, it ran from May 17-19 at the New Shanghai International Expo. It attracted 3200 exhibitors and more than 100,000 buyers, including food service companies, distributors and wholesalers.

The purpose of the Australian almond industry's participation in Sial China 2017 was to build relationships with Chinese nut buyers and to grow our understanding of the issues that relate to an Australian almond expansion into the Chinese market.

It was also important to communicate the significant tariff advantages for trade into Mainland China for Australian almonds over all other almonds. The Free Trade Agreement between Australia and China has reduced the tariff on Australian almonds from the 10% that applies to all almonds including Californian almonds, to 4%. This tariff was reduced to 0% in January 2019.



Sial China 2018, Shanghai:

Sial China 2018 ran from May 16-18 at the New Shanghai International Expo. The purpose of the Australian almond industry's participation in Sial China 2018 was to continue to build relationships with Chinese nut buyers and to deepen our understanding of the issues that relate to an Australian almond expansion into the Chinese market.

It was also important to communicate the latest news relating to our tariff advantages for trade into Mainland China over all other almonds. This is particularly relevant to the comparative tariff costs for importing Californian almonds. The Free Trade Agreement between Australia and China has reduced the tariff on Australian almonds from the 10% that applies to all almonds including Californian almonds, to 2%. This tariff was reduced to 0% in January 2019.

The Australian almond exhibition stand at Sial China was a six metres x three metres booth, located in the Australian Pavilion.



The Australian almond industry video specifically created for the Chinese market with translated text was valuable for our trade visitors to learn about our growing regions and processing facilities.



Sial China 2019, Shanghai:

The 2019 Sial China exhibition ran from May 14-16 at the New Shanghai International Expo. It attracted 4,300 exhibitors and more than 117,000 professional trade visitors, including food service companies, distributors and wholesalers. The exhibition has grown significantly in its audience and trade exhibitors.

The purpose of the Australian almond industry's participation in Sial China 2019 was to promote the opportunity to buy Australian almonds at a zero tariff, compared to the 50% tariff applicable to Californian almonds.

The Australian Almonds' booth was six metres x three metres in size and was situated in the Australian Pavilion within the Fine Food Hall.



Asia Fruit Logistica 2016, Hong Kong:

Asia Fruit Logistica in 2016 ran from September 7 to 9. It attracted over 11,000 visitors from more than 70 countries to Hong Kong. There were 673 exhibitors from more than 40 countries presenting their product offerings. Asia Fruit Logistica is accompanied by Asiafruit Congress, which takes place on the day before the trade show.

The Australian Almonds exhibition was located with the Australia Fresh Pavilion organised by Hort Innovation. In this location, the Australian Almonds promotion was able to leverage the visitor traffic created by the total Australian horticultural exhibition.

The key themes of the Australian Almonds exhibition at the 2016 Asia Fruit Logistica exhibition were: the role of health and nutrition as a growing consumption driver; and the role of the nut category in adding value to the Fresh Produce offer.

The Australia Fresh pavilion organised by Hort Innovation continues to develop each year. This year, the pavilion featured a chef who prepared a range of dishes highlighting the range of Australian horticulture promoted at the expo. Australian almonds featured in many of these dishes.



Asia Fruit Logistica 2017, Hong Kong:

The 2017 Asia Fruit Logistica exhibition ran from September 6 to 8. It attracted over 13,000 visitors from 76 countries to Hong Kong, which was a 16% increase over the previous year. The main origins of visitors were China, Hong Kong, India, Taiwan, Korea, Malaysia, Indonesia, Singapore, New Zealand, Japan and Australia. There were 813 exhibitors from 43 countries presenting their product offerings. This is an increase of more than 150 exhibitors over the previous year.

The Australian Almonds exhibition was located within the Australia Fresh stand, demonstrating the ability of almonds to add value to the Fresh Produce Category.



China Tree Nut Conference 2017:

The Almond Board of Australia participated at the 2017 China International Tree Nuts Conference, from 2 to 4 August, in Guangzhou. Under the auspices of the China Chamber of Commerce for Import & Export of Foodstuffs, Native Produce and Animal By-Products, the Shangri-La Hotel hosted seminars, an exhibition and matchmaking meetings.

Experts shared their knowledge and views on the global tree nut market, and more specifically on production and consumption of almonds, cashews, hazelnuts, macadamias, pecans, pistachios and walnuts. The event was attended by more than 320 participants from over 20 countries, including the United States, Iran, Australia, India, Chile, Mexico, South Africa, Guinea-Bissau, Japan, Canada, Ghana, Italy, Netherlands, Singapore, Turkey and Zimbabwe.

The purpose of the Australian almond industry's participation and exhibition at the 2017 China Tree Nut Conference was to build relationships with Chinese nut buyers and to grow our understanding of the issues that relate to an Australian almond expansion into the Chinese market. It was also important to communicate the significant tariff advantages for trade into Mainland China for Australian almonds over all other almonds. The Free Trade Agreement between Australia and China has reduced the tariff on Australian almonds from the 10% that applies to all almonds including Californian almonds, to 4%. This tariff was reduced to 0% in January 2019.

The Australian almond exhibition stand at the China Tree Nut conference was a three metre x three metre booth.



Mr Damien Houlahan, General Manager of Olam Orchards Australia, gave a presentation during the almond session, providing a comprehensive overview of the Australian almond industry. The tariff advantage secured by the China-Australia Free Trade Agreement was an important element of his presentation.



China Tree Nut Conference 2018:

The Almond Board of Australia participated at the 2018 China International Tree Nuts Conference, from 1 to 3 August, in Zhuhai, Guangdong Province. In a similar fashion to previous conferences, during the opening ceremony, Mr. Pino Calcagni, Vice Chairman and Chair of the Statistics Committee of the International Nut & Dried Fruit Council (INC), presented a global statistical review of the tree nut industry, highlighting production and consumption trends, and the potential of the tree nut market.

The purpose of the Australian almond industry's participation and exhibition at the 2018 China Tree Nut Conference was to leverage the opportunity of the significant tariff difference between Australian and Californian almonds and to build relationships with Chinese nut buyers that will extend beyond the current China-USA tariff dispute.

The Australian almond exhibition stand at the 2018 China Tree Nut Conference was a three metre x three metre booth, located in the exhibition Pavilion. The booth's creative featured an Australian almond orchard in blossom which reflected the blossom season currently under way in Australia at the time of the conference. This assisted in promoting the counter-seasonal nature of Australian almonds.



An important component of the Australian Almonds program for the 2018 China Tree Nut Conference was a presentation on the Australian almond industry during a plenary session of the Conference. This presentation was undertaken by Damien Houlahan, General Manager of Olam Orchards Australia and Joseph Ebbage, Market Development Manager, Almond Board of Australia.



Outbound Education Market Visit – Australian Almonds’ Japanese Market Seminar, Tokyo

Foodex Tokyo 2017 Trade Mission:

The 2017 Foodex Seminar Trade Mission ran from March 7 to 10.

The key feature of the Australian Almond Outbound Education Market Visit during Foodex 2017 was the Australian Almond Seminar held on the first afternoon of the expo at the Exhibition Center (March 7).

More than 40 Japanese nut traders participated in this Seminar that was coordinated by the Austrade team in Tokyo. The two Australian marketers present at Foodex – Almondco and Olam – participated in a ‘Question and Answer’ session to highlight the key issues for the 2017 Australian almond crop.





Foodex 2017 was the 43rd year of this exhibition in Tokyo. It attracted 3,250 exhibitors from 80 countries. More than 82,000 buyers, including food service companies, distributors and wholesalers visited Foodex in 2017. It took place from March 7 to 10 at the Makuhari Messe.

The purpose of the Australian almond industry's participation in Foodex 2017 was to build relationships with Japanese nut buyers and to grow our understanding of the issues that relate to an Australian almond expansion into the Japanese market.

It was also important to communicate the advantages of the Japanese-Australian Free Trade Agreement with potential customers.

During the 2017 Foodex, the Australian almond exhibit combined with the Australian vegetable industry to create a broader Australian horticultural offering.



Foodex Tokyo Trade Mission 2018:

The 2018 Foodex Seminar Trade Mission ran from March 6 to 8.

The feature of the Australian almond promotion during Foodex 2018 was the Australian Almond Seminar held on the first afternoon of the expo at the Exhibition center (March 6).

More than 40 Japanese nut traders participated in this Seminar that was coordinated by the Austrade team in Tokyo.



The three Australian marketers present at Foodex – Almondco, Olam and Select Harvests – participated in a lengthy 45 minute 'Question and Answer' session to highlight the key issues for the 2018 Australian almond crop and the broader almond industry issues.



Foodex 2018 was the 44th year of this exhibition in Tokyo. It attracted 3,466 exhibitors from 83 countries. More than 72,000 buyers, including food service companies, distributors and wholesalers visited Foodex in 2018. It took place from March 6 to 8 at the Makuhari Messe.

The purpose of the Australian almond industry's participation in Foodex 2018 was to continue to grow relationships with Japanese nut buyers and to improve our understanding of the issues that relate to an Australian almond expansion into the Japanese market.

It was also important to communicate the advantages of the Japanese-Australian Free Trade Agreement with potential customers.



The Australian almond industry was pleased to welcome the visit by the Australian Ambassador to Japan, Mr Richard Court and the Australian Trade Commissioner to Japan, Ms Cheryl Stanilewicz.



Foodex Tokyo Trade Mission 2019:

The 2019 Foodex Seminar Trade Mission ran from March 5 to 8.

One of the features of the Australian almond promotion during Foodex 2019 was the Australian Almond Seminar held on the first afternoon of the expo at the Exhibition center (March 5).

More than 40 Japanese nut traders participated in this Seminar that was coordinated by the Austrade team in Tokyo.



The three Australian marketers present at Foodex – Almondco, Olam and Select Harvests – participated in a lengthy 45 minute 'Question and Answer' session to highlight the key issues for the 2019 Australian almond crop and the broader almond industry issues.

Foodex 2019 was the 45th year of this exhibition in Tokyo. It attracted 3,316 exhibitors from 94 countries and regions. More than 80,000 buyers, including food service companies, distributors and wholesalers visited Foodex in 2019. It took place from March 5 to 8 at the Makuhari Messe.

The purpose of the Australian almond industry's participation in Foodex 2019 was to continue to grow relationships with Japanese nut buyers and to improve our understanding of the issues that relate to an Australian almond expansion into the Japanese market. It was also important to communicate the advantages of the Japanese-Australian Free Trade Agreement with potential customers.

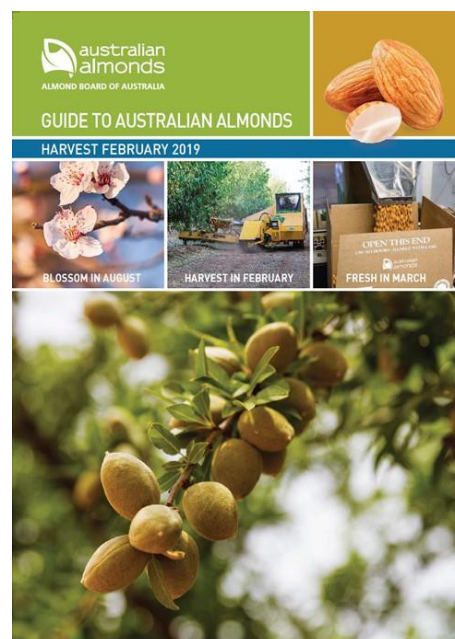


Trade Communications:

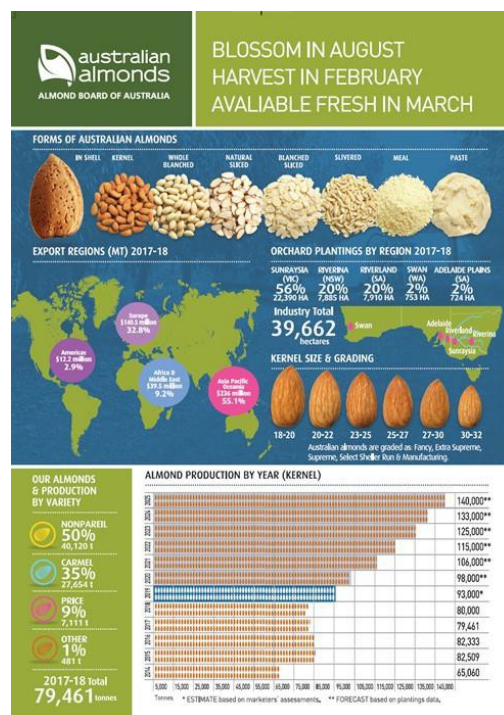
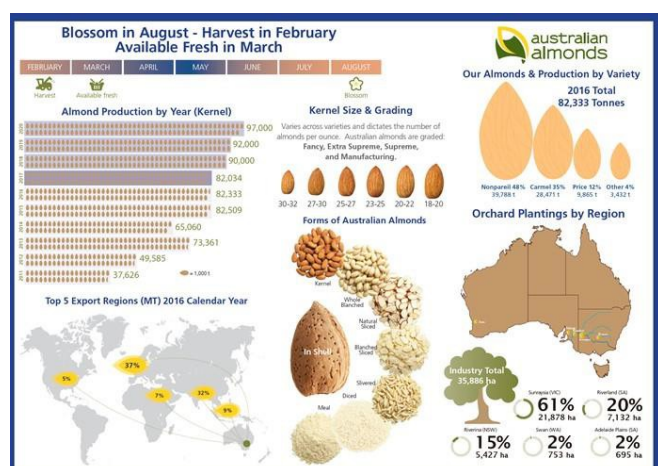
During the period of AM15007, a portfolio of key communication resources was created and regularly updated. These communication resources included the Guide to Australian Almonds and the double-sided single page Infographic that summarises the Guide.

Resources: Guide to Australian Almonds.

The Guide to Australian Almonds was substantially refreshed during AM15007:

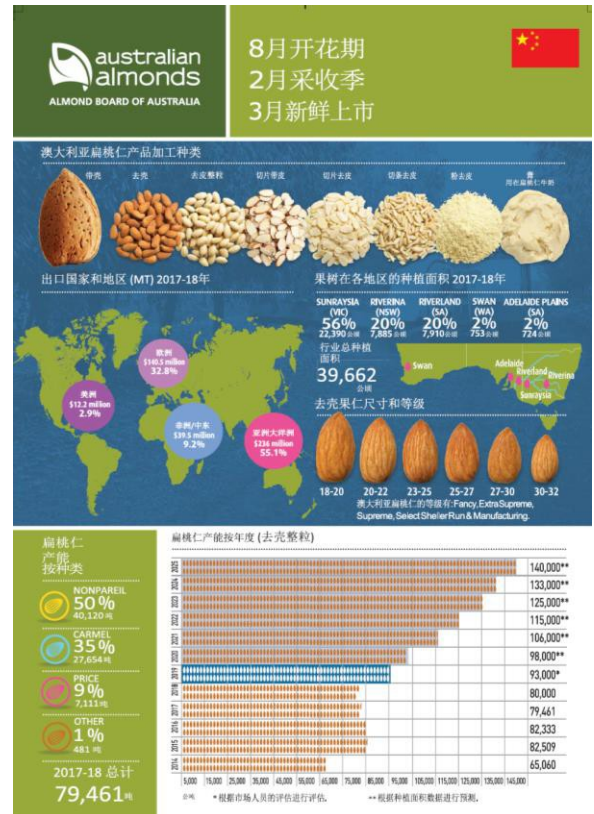


Infographic: double-sided single page summarising the Guide:



Resources in Chinese:

The Guide to Australian Almonds and the Infographic were translated for the Chinese almond trade.



Resources in Japanese:

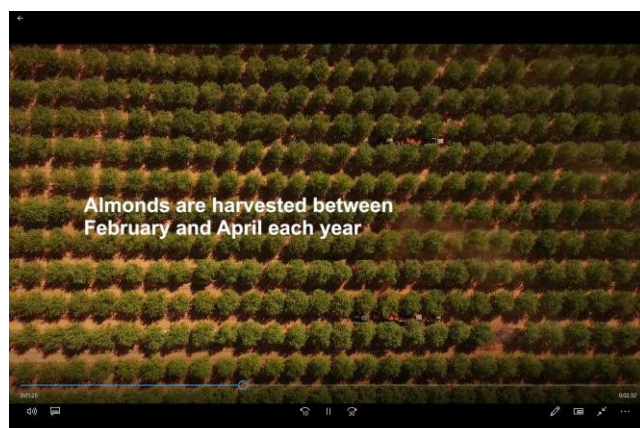
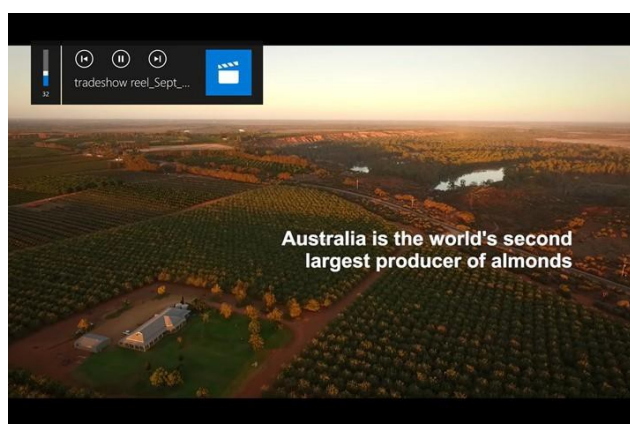
The Guide to Australian Almonds and the Infographic were translated for the Japanese almond trade.



Trade Communication Videos

Video communication has played an important role throughout AM15007. The videos have been featured in the seminars, networking events and on the trade exhibitions.

Videos for the Indian and Middle East Markets:



Videos included an Industry Overview featured during the Gulfoods trade exhibitions and also video compilations of the Australian-Indian almond cricket matches, that were part of ongoing trade communications with our Indian customers.

Videos for the Japanese Market:

Translated videos for the Japanese almond trade were featured in the annual seminars and at the Foodex trade exhibitions.



Videos for the Chinese Market:

Videos of the Industry Overview were translated for the Chinese almond trade and featured on the Sial China exhibition stand and also at the China Tree Nut conferences. One special feature was a video featuring a ‘Chef Exchange’ with the Shanghai based Chef Qu coming to the Riverland to visit some Australian almond orchards and cook some customized recipes. One of Chef Qu’s cooking videos was in the Loxton Research Centre’s kitchen in South Australia.



Outputs

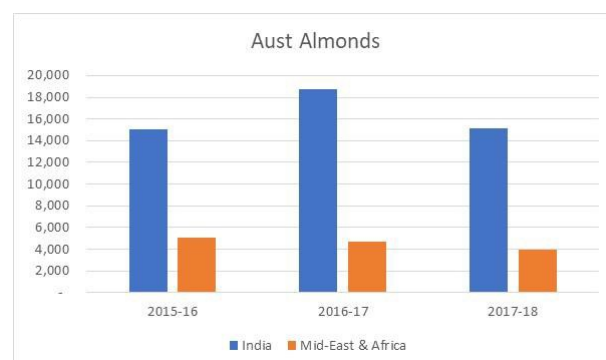
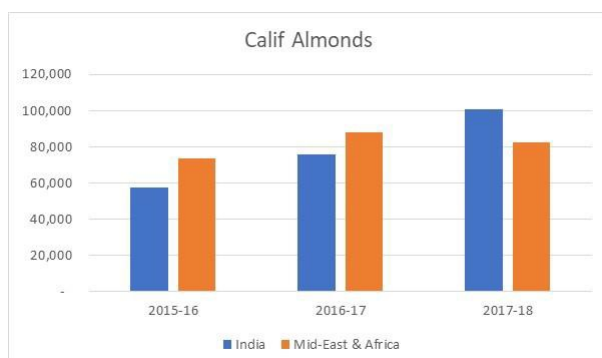
The outputs of AM15007 are segmented into Established Markets and Emerging Markets.

Established Markets of India and the Middle East:

The trade exhibitions at Gulfoods in Dubai have been critical given the pressures of quality issues experienced during AM15007.

Export trade results for India and the Middle East & Africa regions over the life of AM15007:

Calif Almonds	2015-16	2016-17	2017-18		Aust Almonds	2016-17	2017-18	2018-19
India	57,385	75,784	100,622		India	15,050	18,777	15,155
Mid-East & Africa	73,406	88,013	82,560		Mid-East & Africa	5,025	4,691	3,949



Californian almond sales to India have grown significantly over this period. This reflects the enhanced importance of the Indian market to the Californian almond industry in the light of the tariff issues with China. The export volume movements of Australian almonds to this region, particularly in 2018-19, reflect the export growth into the Chinese almond market.

During AM15007, three trade missions to Gulfoods in Dubai were successfully delivered:

2017: February 26 to March 2

2018: February 18 to 22

2019: February 17 to 21.

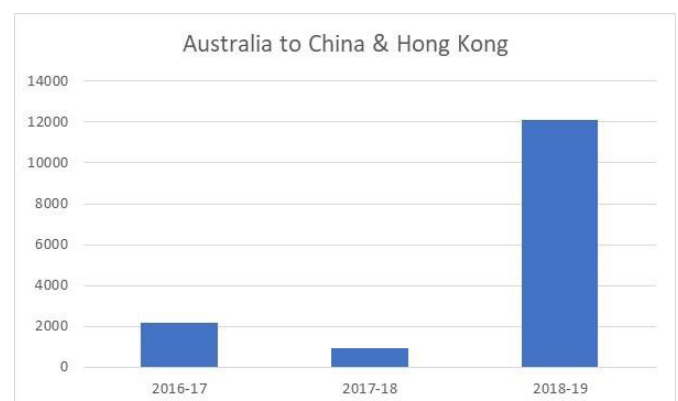
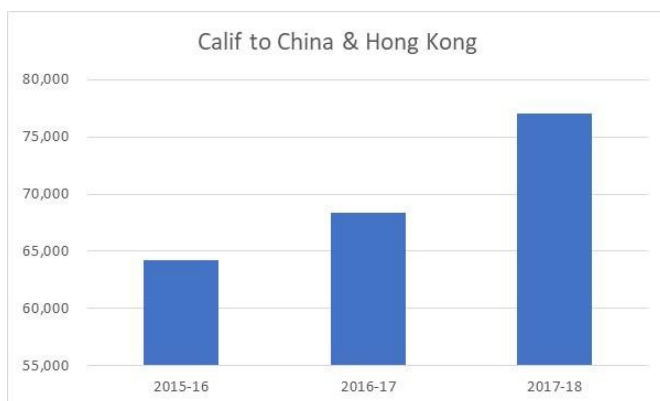
Emerging Markets:

China

The combination of trade exhibitions and trade communications positioned the Australian almond industry to be able to take full advantage of the tariff dispute between China and the US and grow Australian almond exports to China from 600 tonnes a year to almost 12,000 tonnes in 2018-19.

Calif Almonds	2015-16	2016-17	2017-18		Aust Almonds	2016-17	2017-18	2018-19
China	64,256	68,390	77,013		China	317	600	11,860
Hong Kong					Hong Kong	1,882	321	264
Total	64,256	68,390	77,013		Total	2,199	921	12,124

Export trade results for China and Hong Kong over the life of AM15007:



Key outputs were two trade missions to China each year: including Sial China, Asia Fruit Logistica and the China Tree Nut Conference.

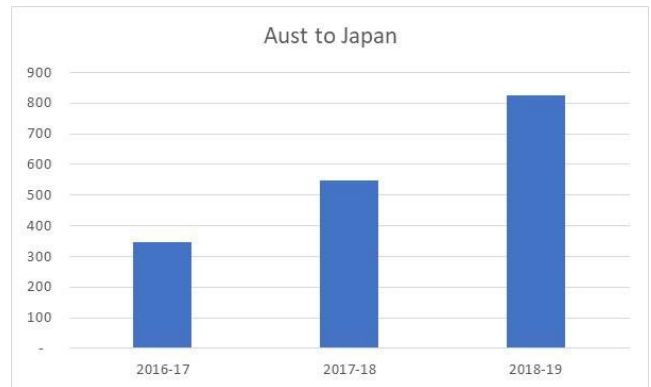
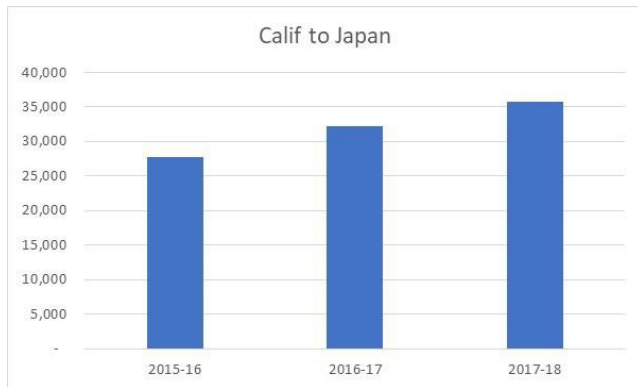
Emerging Markets:

Japan

The combination of trade exhibitions and trade communications to the Japanese market has seen a moderate volume growth in exports.

Export trade results for Japan over the life of AM 15007:

Calif Almonds	2015-16	2016-17	2017-18		Aust Almonds	2016-17	2017-18	2018-19
Japan	27,812	32,275	35,744		Japan	346	547	827



There remains significant export growth potential in the Japanese almond market for the Australian almond industry as it is still trading significantly below its global market share.

Key outputs were the annual Outbound Education Visits to Tokyo that were aligned with the Foodex Trade Exhibition.

Outcomes

The outcomes of AM15007 contribute to the Almond SIP's Outcome for Market Growth. This states that export sales will increase from 64,000 tonnes in 2016 to 110,000 in 2022.

These figures need to be updated to reflect the 2016 actual production and export results.

The Australian almond crop in 2016 was 82,337 tonnes. Total export volume in 2016 was 58,964 tonnes.

The most recent production forecast for 2022 is 115,000 tonnes. The most recent forecast for Export Volume in 2022, given a relatively stable domestic market, is 89,000 tonnes.

The key outcome of AM15007 has been to facilitate export market growth for the Australian almond industry to help meet the Almond SIP. The November 2019 Australian Almond Export Report highlights a growth in exports of 32% over the same period the previous year. The 2019 volume was 72,007 tonnes compared to 54,607 tonnes in 2018.

AM15007 provided the export program structure to create and grow business relationships, communicate the strengths and opportunities of the Australian almond industry and position the Australian almond exporters to take advantage of Australia's Free Trade Agreements and consequent tariff advantages.

The ability of the Australian almond exporters to grow their exports so significantly when production volume increased in 2019, is a reflection of the positive contribution of AM15007 over the previous three years.

Monitoring and evaluation

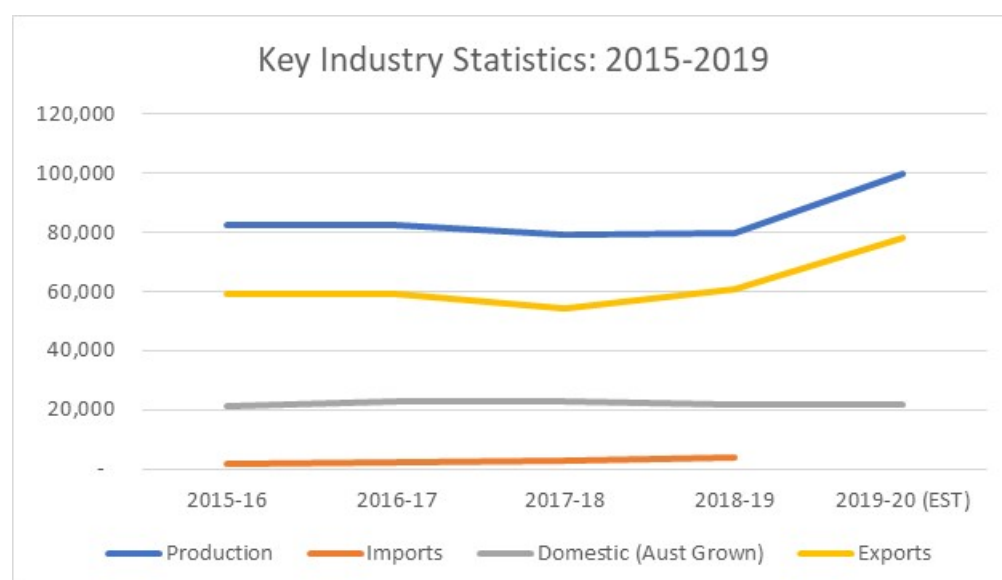
The summative evaluation of AM15007 includes both a quantitative analysis of the Australian almond export statistics and a qualitative review of the insights of the Australian almond exporters, who fund the ABA's investment in this project and who represent more than 95% of Australian almond production and sales.

Quantitative analysis of Australian almond export statistics:

The table and graph below highlight the key industry statistics that have driven our export results of the past three years. The most important statistic relates to production. Australian almond production suffered from numerous significant horticultural issues during the 2016, 2017 and 2019 crop years. These issues included poor weather during the blossom season, excessive heat prior to hull split in summer and extensive insect damage. These issues combined resulted in crop volumes below forecast.

	2015-16	2016-17	2017-18	2018-19	2019-20 (EST)
Production	82,509	82,333	79,461	79,901	100,000
Imports	1,708	2,538	3,092	4,106	
Domestic (Aust Grown)	21,208	22,654	23,074	21,662	22,000
Exports	59,307	58,963	54,343	60,889	78,000

The crop volumes for 2016, 2017 and 2018 were significantly less than modelled and as a result the export volumes were limited by production. However, a good growing season for the 2019 crop has seen production volume rebound and forecast to exceed expectations. The 2019 crop is estimated to exceed 100,000 tonnes setting a new record. Export volumes for the 2019-20 marketing year are also forecast to achieve a record of close to 78,000 tonnes.



The table below sets out the key export statistics by region and by focus market for the term of the AM15007 project. Column A details the regions and focus country markets. Columns B, C and D detail the Californian almond exports to these markets in pounds (Col B), tonnes (Col C) and share of total Californian exports (Col D). Given that California grow 80% of the world's almonds, it is important to use them as a benchmark.

Column A		B	C	D		E	F		G	H		I	J
Aust Export Gwth by Market		Calif Exp	Calif Exp			Aust			Aust			Aust	
		Full Year	Full Year	Share of		Full Year	Share of		Full Year	Share of		Full Year	Share of
		2017-18 (pds)	2017-18 (T)	exports		2016-17	exports		2017-18	exports		2018-19	exports
Production		2,260,476,211	1,025,335			82,333			79,461			79,901	
Domestic: (Excl Imports)		734,729,722	333,268			22,654			23,074			21,662	
				33%									
Total Exports		1,516,786,662	688,003	67%		58,963			54,343			60,895	
Established Mkts	Central Asia (India)	221,833,884	100,622	15%		15,050	26%		18,777	35%		15,155	25%
	Europe	619,950,809	281,205	41%		25,114	43%		19,099	35%		14,052	23%
	Middle East/Africa	182,013,083	82,560	12%		5,025	9%		4,691	9%		3,949	6%
Total Established Mkts		1,023,797,776	464,387	67%		45,189	77%		42,567	78%		33,156	54%
Emerging Mkts													
N-E Asia	China	169,784,438	77,013	11%		317	1%		600	1%		11,860	19%
	Hong Kong					1,882	3%		321	1%		264	0%
	Japan	78,802,471	35,744	5%		346	1%		547	1%		827	1%
	Total N-E Asia	309,040,357	140,178	20%		2,617	4%		1,529	3%		12,953	21%
S-E Asia	Vietnam	55,167,325	25,023	4%		2,991	5%		4,363	8%		8,938	15%
	Thailand	5,186,652	2,353	0%		1,689	3%		889	2%		1,131	2%
	Indonesia	3,382,834	1,534	0%		299	1%		17	0%		281	0%
	Total S-E Asia	75,353,745	34,180	5%		5,300	9%		5,675	10%		10,732	18%
Australasia/Oceania	New Zealand	7,217,155	3,274	0%		1,846	3%		2,086	4%		1,749	3%
South America													
	Peru	2,113,472	959	0%					-			-	
	Chile	6,495,764	2,946	0%					-			-	
	Argentina	2,312,574	1,049	0%		51			217	0%		261	
	Total Sth America	20,881,906	9,472	1%		51	0%		235	0%		318	1%
Total Emerging Mkts		412,493,163	187,104	27%		9,814	17%		9,525	18%		25,752	42%
Service Mkts													
Nth America	USA					3958			2,248			1,977	
	Total Nth America					3958	7%		2,250	4%		1,981	3%
Total						58963	100%		54,342	100%		60,895	100%

One of the key objectives of AM15007 was to grow Australian almond exports to our Emerging Markets.

Qualitative review of the insights of the Australian almond exporters

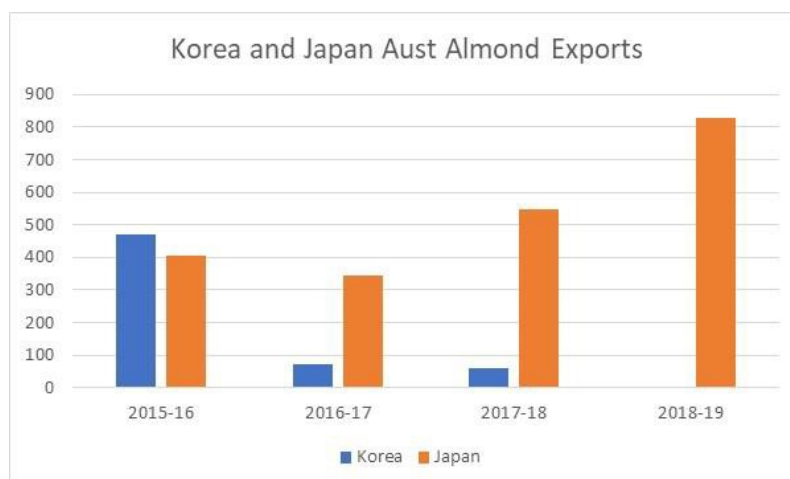
The five Australian almond exporters are: Olam Orchards Australia, Almondco Australia Limited, Select Harvests Limited, Nut Producers Australia and Bright Light Agribusiness. These five marketers represent approximately 99% of all Australian almond exports. They comprise the ABA's Market Development Committee which oversees the direction of the ABA's marketing program.

Key pivots within the AM15007 program

The ABA requested a variation to the project in April 2018 to replace our participation at Asia Fruit Logistica with a conference exhibition and presentation at the China Tree Nut Conference. This change was based on the insights from the Australian almond exporters that Chinese nut traders were becoming more interested in Australian almonds. This decision proved very successful as our participation at the 2018 China Tree Nut Conference occurred immediately before the escalation in the tariff dispute between China and the United States, which led to China placing a retaliatory tariff of 50% on Californian almonds. At the same time, the Free Trade Agreement between China and Australia had reduced the tariff on Australian almonds to 2% which would be eliminated completely in January 2019. The outcome of the enhanced market development work in China was the ability of the Australian almond exporters to grow their sales of Australian almonds to China from 600 tonnes in 2017-18 to 11,860 tonnes in 2018-19. These 2018-19 exports to China represented 19% of total Australian almond exports for the year.

Another pivot driven by the Australian almond exporters during AM15007 was to focus more attention on growing our Japanese market and less industry activity in Korea.

Exports	Korea	Japan
2015-16	469	407
2016-17	70	346
2017-18	60	547
2018-19	1	827



Insights from Australian almond exporters about the J-Spec and the K-Spec:

The K-Spec are the product specifications unique to Korea. The exporters view this K-Spec as imposing additional costs that are not compensated with premium pricing. They have formed the view that the Korean almond market is not as attractive as other global opportunities.

Japan also has a unique set of specifications, referred to as the J-Spec. However Japanese almond traders have a very positive reputation for honouring contracts. There is significant value for the Australian almond exporters to develop long term trading relationships with Japanese customers.

The conclusion of the Australian almond exporters is that growing a significant Australian almond export market in Japan is strategically valuable to the Australian almond industry.

Re-affirming the strategic importance of the Indian market:

The Australian almond exporters' insights into the Central and West Asia markets are to re-affirm our industry's commitment to the strategic importance of these regions. India remains a market of critical long-term value to the Australian almond industry.

Australian almonds have several significant competitive advantages over Californian almonds within the Indian market: a higher industry-average 'crack-out' level (more almond meat per in-shell nut) and closer product availability for the festival of Diwali.

It is also important to note a number of other key strengths to the almond market in India.

Almonds have a deep-rooted resonance within Indian culture.

Parents give their children almonds before school every day.

Almonds are an excellent source of plant protein for a vegetarian culture.

There is significant opportunity to grow almond consumption in the southern regions of India.

While India is our largest export destination by country, they are still a relatively small consumer of almonds per person.

As the Indian middle-class population continues to grow, almond consumption will also increase.

Recommendations

The Australian almond industry is moving into another phase of significant production growth. Although the 2016-18 period did not deliver the crop volumes previously forecast, the addition of new bearing acres and a return to positive growing conditions will produce higher annual crop tonnages. It is forecast that by 2024, the Australian almond crop will have grown from the 79,901 tonnes of 2018 to 124,000 tonnes.

The Australian Almonds Export Development Program plays a significant role in the promotion of the Australian Almonds brand globally.

Develop a comprehensive Hort Innovation export development project:

Over the past three years, the ABA and Hort Innovation have committed to different projects based on the geography of the export destinations. AM15007 was specifically created for the Asian region: i.e. from West Asia (Dubai) to East Asia (Tokyo). Another Australian almond project was developed for export development and growth into Europe (AL 16010). One important recommendation is to develop a comprehensive project that covers the whole Australian almond export development program including both Established Markets and Emerging Markets.

Reinforce the trading relationships into China

The tariff dispute between China and the USA provided a unique opportunity for the relationships developed during AM15007 to be leveraged into a significant trading outcome. Sales of Australian almonds jumped from 600 tonnes in 2017-18 to almost 12,000 tonnes in 2018-19. The challenge and opportunity for the Australian almond industry is to work to maintain as much trade as possible when the tariff dispute is removed.

Three other key recommendations for the future export growth of Australian almonds:

- re-affirmation of the importance of the Established Markets of India and Europe
- commitment to grow the Emerging Markets of South-East Asia
- focus on Indonesia.

Refereed scientific publications

N/A

References

N/A

Intellectual property, commercialisation and confidentiality

N/A

Acknowledgements

N/A

Appendices

N/A