



THE 2010 ALMOND ALMANAC

 **california**
almonds®
Almond Board of California



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THE CALIFORNIA ALMOND INDUSTRY AT YOUR FINGER TIPS

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 processors. The Almond Almanac is Almond Board's annual report, which outlines the programs and projects that power the industry toward meeting its vision, and it provides a comprehensive statistical analysis of the production and marketing of California Almonds.

The Almanac is prepared by Almond Board 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 National Agricultural Statistics Service, California Field Office (NASS/CFO). Simply put, the Almond Almanac is the definitive source of information for California Almonds.

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10 ALMANAC

2010

BOARD OF DIRECTORS



MIKE MASON, CHAIR



DAVE BAKER,
VICE CHAIR



BILL BRUSH



BILL HARP



SCOTT HUNTER



CHRISTINE LONG



DAVE PHIPPEN



KEITH RIGG



JOHN THOMING



DOUG YOUNGDAHL

VISION:

To be the healthiest specialty
crop in the world.

REALIZING OUR VISION + CORE VALUES

REALIZING OUR VISION MEANS:

- Enhancing consumer health, food safety, the environment and quality production.
 - Building domestic and international awareness and demand.
 - Promoting stability of supply.
 - Developing and distributing industry and production information.
 - Ensuring uniform compliance.
-

CORE VALUES:

- We value fairness in our relationships with growers and handlers.
 - We seek consensus to achieve common goals.
 - Enhancing the financial well-being of the industry is the driving force behind all decisions.
 - Decisions are made objectively based on the best available data.
 - We provide the industry with the tools necessary to communicate our messages and to deliver the safest product possible.
 - The entire industry shares the responsibility of maintaining a stable supply.
 - The authority of the Federal Marketing Order is used to strengthen and protect the industry.
-





A LETTER TO OUR INDUSTRY MEMBERS

WHAT WOULD THE WORLD BE LIKE TODAY WITHOUT **RESEARCH**?

How would the human race have advanced if it had not developed the ability to investigate, reason and act? Could the California Almond industry have possibly achieved its current sophistication and global reach without the enabling foundation of research knowledge?

The 2010 Annual Almond Industry Conference celebrates the value and benefits that sustained research has bestowed upon California growers and handlers, and the broader stakeholder community as a whole. The conference theme, Growing Advantage: Leadership through Research, is representative of the inherent discovery process, and the leadership opportunities that the research process and results have afforded our industry. The theme also relays the continually increasing advantage that the California Almond is achieving in the battle for the hearts and minds of the global customer and consumer.

Like most things in life, nothing is certain and investing in research has no guaranteed outcome. However, organizations like ABC have learned over the years how to derive optimal benefit from the research initiatives they have undertaken, and they have also learned to leverage the resulting wealth of knowledge. Going forward, research conducted with leading institutions located in the European Union, China and India will be a priority, as will infusing the results of that research into our international marketing programs, making them more robust and nationally relevant.

In our roles as chairman and CEO of the Almond Board of California, we take very seriously the responsibility of working with the board of directors and ABC staff to wisely invest grower funds in research projects that will have long-term benefits for our industry. We take equally seriously the need to translate the results of those investigations into global leadership positions for California Almonds.

The future success of our industry as well as our leadership-through-research role in agriculture will continue to build from the strength of knowledge that we create. The growing advantage that results will consistently position the California Almond first among its peers. We have a bright, confident future with research knowledge as our foundation and a healthy industry as our reward.



RICHARD WAYCOTT, PRESIDENT AND CEO



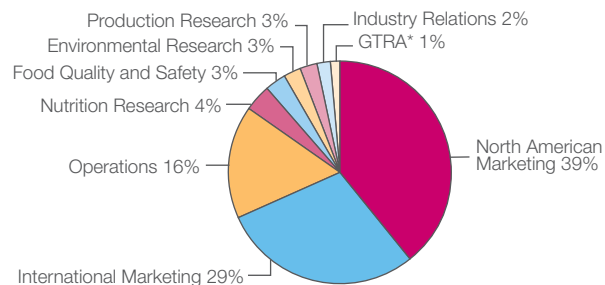
MIKE MASON, CHAIR

STRATEGIC PRIORITIES + ALMOND BOARD PROGRAMS

PROGRAM BUDGET ALLOCATION FISCAL YEAR 2009/10

Key program areas for Almond Board of California include global marketing, nutrition and production research, food safety, environmental stewardship and industry information and statistics. ABC programs are funded by an assessment placed on each pound of almonds produced by almond growers. The Board of Directors approves allocation to each of the program areas and Almond Board staff is responsible for implementing the programs detailed on the following pages.

PROGRAM BUDGET ALLOCATION FISCAL YEAR 2009/10



Source: Almond Board of California. *Global Technical and Regulatory Affairs.

STRATEGIC PRIORITIES

- Build the case supporting the vision and spread the word among global consumers and the trade on the benefits of consuming more almonds.
- Facilitate an industry-wide system for ensuring food safety from farm to fork.
- Proactively seek solutions to environmental challenges and differentiate the industry.
- Ensure a basic and applied research capability.

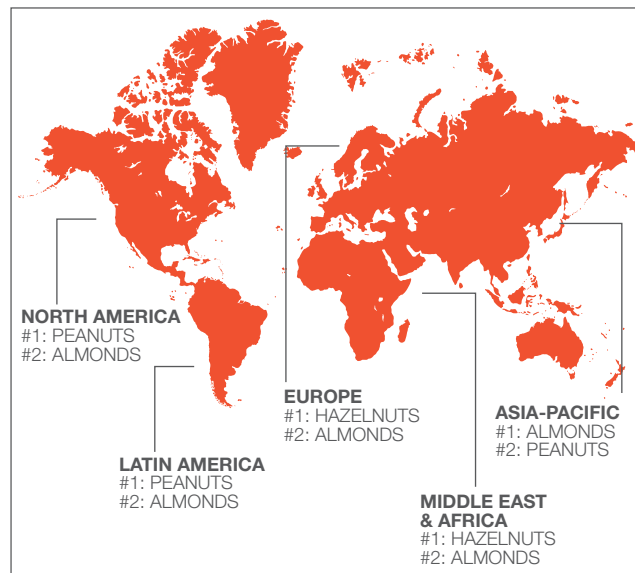
GLOBAL MARKETING STRATEGY

Becoming the Nut of Choice in the minds of consumers, food professionals and health professionals around the world is essential to the success of California Almonds. Our global marketing strategy continues to focus on our core geographic markets of North America, the European Union, China, India, Japan and South Korea; the top three global categories for almond usage (chocolate confectionery, bakery/patisserie and snacking); the dissemination of our growing portfolio of nutrition research to health influencers and the media; and the active management of the industry's reputation as a leader in providing a safe and wholesome food product.

For the second year in a row, almonds were the number one nut for total new retail product introductions globally and ABC continued to spread the word about the global demand for almonds to the chocolate manufacturers, reaching out to the world's top manufacturers and producers with the California Almond story. In 2010/11, the bakery and snacking strategies will be finalized and program plans initiated.

To achieve and continue to be the Nut of Choice, ABC's marketing programs are designed to earn the interest, respect, trust, loyalty and ultimately, the advocacy of consumers, food professionals and health professionals around the world. With our strong research-based foundation, ABC now seeks to establish a more emotional connection by showing consumers how California Almonds are relevant to their lifestyles and meet their needs for tasty, nutritious and relevant solutions to their everyday challenges. And our food professional outreach serves up proof of consumer preference, leadership in areas such as food quality and safety, and inspiration for innovation in healthier products that are on trend for today's consumers.

TOP NUTS USED IN NEW PRODUCTS BY REGION 2009



GLOBAL NEW PRODUCTION INTRODUCTIONS 2009

Region	Almonds	Peanuts	Hazelnuts	Cashews	Walnuts	Total Nut
North America	188	261	133	80	47	927
Europe	698	317	762	128	172	2,940
Asia-Pacific	561	478	242	177	130	2,256
Latin America	299	356	61	76	55	1,349
Middle East & Africa	73	60	90	15	1	342
Total	1,819	1,472	1,288	476	405	7,814

Source: Global New Products Database, 2009.

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ALMANAC

FOR THE FIRST TIME, ALMONDS ARE THE TOP NUT IN THE ASIA-PACIFIC. DESPITE BEING THE TOP GLOBAL NUT, ALMONDS REMAIN THE SECOND MOST POPULAR NUT IN NEARLY ALL REGIONS, COMPETING MOST WITH PEANUTS AND HAZELNUTS.

THE GLOBAL ALMONDBOARD.COM

In July 2009, Almond Board of California launched the all-new AlmondBoard.com Web site. Since then, the site has served as the cornerstone of ABC's communications program by providing specific access points for consumers, food and health professionals and industry members alike. Recently, AlmondBoard.com has expanded its reach by launching new French, German, British, Russian, Korean and Chinese versions of AlmondBoard.com.

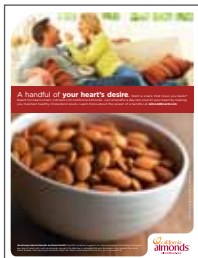
Now a truly global Web site, individuals from all over the world can log on to get a taste of what California Almonds have to offer. They're greeted by the global portal page, which serves up the option to view the Web site customized for 10 different countries in seven different languages. From there, users can access almond recipes, learn about the nutritional attributes of almonds and discover how almonds can fit into their professional and personal lives.

AlmondBoard.com, with its contemporary and easy-to-navigate format, provides a strong online global presence for the California Almond industry and helps our global stakeholders make California Almonds an essential part of their daily lives.

Shown left: The French and Chinese homepages of AlmondBoard.com



MEGAMARKET: NORTH AMERICA



Shipping over 33 percent and 489 million pounds of almonds in 2009/10, North America was the single largest market for California Almonds during the 2009/10 crop year. Investment in the core consumer target audience, Jane, has driven growth with the support of other target audiences. According to the 2010 Consumer Attitudes, Awareness and Usage (AAU) study, for the second consecutive year, almonds surpassed peanuts as the top nut for self-reported ongoing usage.

North American market communications efforts focus on three key strategies, outlined below, communicating directly to consumers, health professionals and food professionals. To drive these messages to consumers ABC launched a new consumer print advertising campaign in January 2010. Featuring the “power of a handful,” the campaign brings to life the emotional connection and health benefits of eating almonds.

STRATEGY 1: ALMONDS ARE VIEWED AS THE HEART-HEALTHIEST NUT.

Communication to all target audiences continues to leverage the existing and growing body of research demonstrating almonds’ ability to help maintain healthy cholesterol levels, which positively impacts heart health. According to the 2010 Consumer AAU, consumers rated heart health as the second highest almond-specific health benefit, increasing 4 percent from 2009. For example, in 2009/10, ABC launched new heart-healthy tactics directed to our Healthy Men target in the U.S. This program consisted of a series of mini-commercials airing on ESPN’s *SportsCenter*, online banner ads and a promotional booklet insert in *Men’s Health* featuring Bear Grylls, host of Discovery Channel’s *Man vs. Wild*.

STRATEGY 2: STRENGTHEN OUR POSITION AS A LEADING FOOD IN BOTH TASTE AND NUTRITION.

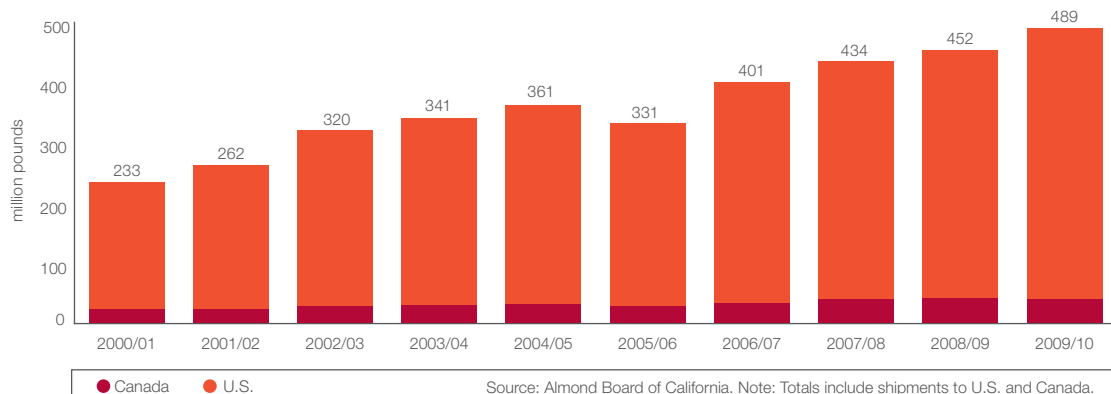
In addition to our ongoing food media outreach throughout the year, ABC launched three new eNewsletters in February 2010. Each of the three editions is targeted directly to consumers, health professionals and food professionals, delivering specific information and delicious new recipes designed to drive traffic to corresponding pages on AlmondBoard.com. The consumer eNewsletter emphasizes the great taste of California Almonds by featuring recipes and beautiful photography related to the season or primary promotional programs underway at that time.

STRATEGY 3: ALMONDS ARE A RELEVANT SOLUTION AT FUNCTIONAL AND EMOTIONAL LEVELS.

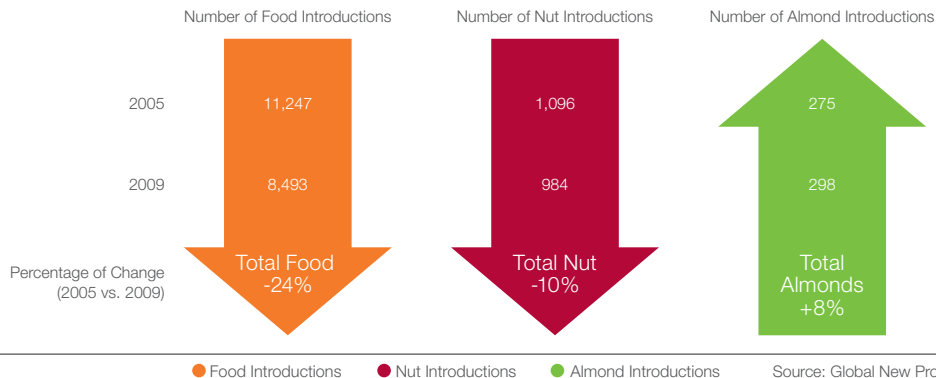
One of the ways ABC reached out to Jane to show that almonds are a relevant solution is through the Pantry to Plate program, targeting her as she plans meals for her family. The program’s goal was to ensure almonds are a staple in Jane’s kitchen pantry. We leveraged the expertise and celebrity of spokesperson Ellie Krieger, RD, *New York Times* bestselling cookbook author and host of the hit show *Healthy Appetite* on Cooking Channel.

Good news about almonds and heart health: 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. One serving of almonds (28g) has 13g of unsaturated fat and only 1g of saturated fat.

NORTH AMERICAN ALMOND SHIPMENTS CROP YEAR 2000/01–2009/10



CHANGE IN NORTH AMERICA FOOD, NUT AND ALMOND PRODUCT INTRODUCTIONS 2005 VS. 2009



MEGAMARKET: EUROPEAN UNION

The European Union (EU) is the largest export region for California Almonds. In crop year 2009/10, the EU accounted for 43 percent of exports and over 441 million pounds shipped. A greater investment in market research in the EU over the last year has helped gain a deeper understanding of the opportunity for growth and has helped to define a strategy for the consumer target audience, EU Jane.

CONSUMER STRATEGY: POSITION ALMONDS AS A NATURALLY SATISFYING SNACK THAT ENHANCES JANE'S DAY.

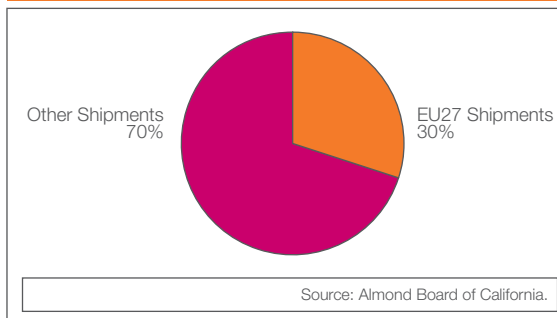
In 2009, Almond Board of California conducted the first-ever in-depth consumer assessment study in Europe to identify common beliefs, values, attitudes and opportunities to reach EU Jane across the region. The research revealed an increasing desire among our EU target consumers for snacks that are healthy, simple, natural, convenient, contemporary and relevant to her lifestyle. Based on the study conclusions, ABC refreshed its strategic approach for this region, with the emphasis squarely on driving consumer awareness of almonds as a naturally satisfying snack choice that fits EU Jane's lifestyle. The UK was specifically identified as a major snacking volume opportunity for California Almonds and the first UK consumer advertising campaign is scheduled to launch in early 2011. This campaign will be supported with snack-oriented public relations activities in the UK, as well as public relations programs in France and Germany.

FOOD PROFESSIONAL STRATEGY: MAKE ALMONDS AN ESSENTIAL INGREDIENT IN THE CATEGORIES AND SEGMENTS THAT CURRENTLY DRIVE THE LARGEST VOLUME: CHOCOLATE, BAKERY AND SNACKS.

Outreach to the food professional audience in the EU continues to produce tremendous media exposure, including

EU27 VS. TOTAL SHIPMENTS

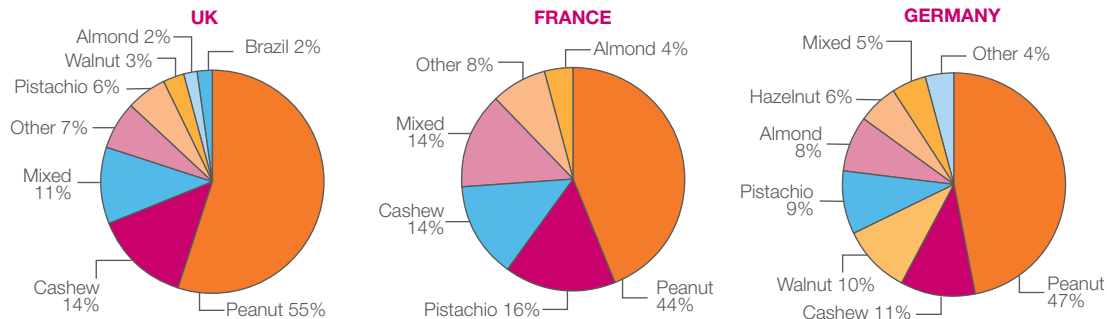
2009/10



numerous major feature articles on almonds as a versatile ingredient. In 2009, ABC conducted an awareness, attitudes and usage (AAU) survey with EU consumer packaged goods companies. Almonds rated second in total unaided mentions (80%), just behind hazelnuts (84%). Among this audience, almonds had substantially higher recall for advertising (71%), positive news stories (56%) and trade show visibility (57%) than any other nut on all three measures.

NUT SHARE OF EU SNACK MARKET 2009

GIVEN THE FIGURES BELOW, THERE'S TREMENDOUS GROWTH POTENTIAL FOR CALIFORNIA ALMONDS WITHIN THE EU SNACK MARKET.



Source: EU IRI Database, 2009.

HEALTH PROFESSIONAL STRATEGY: ACTIVELY ENGAGE DIETITIANS AND NUTRITIONISTS ACROSS EUROPE TO RECOMMEND ALMONDS TO THEIR PATIENTS AS A NATURALLY SATISFYING SNACKING CHOICE. In April 2010, ABC gathered an esteemed group of European nutritionists and key media together to discuss how snacking can play a beneficial role in achieving a balanced and healthy diet. The aim of the discussion was to identify practical ways nutritionists can motivate and facilitate a change in snacking behavior. The outputs of this meeting will provide a strong foundation for communicating about almonds and snacking with consumers, health professionals and food professionals, and these outputs will also enhance ABC's position as a leader in the area of healthy snacking.

PRIORITY DEVELOPMENT MARKET: CHINA



WITH ITS BURGEONING MIDDLE CLASS AND RAPIDLY DEVELOPING FOOD INDUSTRY SECTOR, IT'S NO WONDER CHINA NOW RANKS AS THE SECOND LARGEST AND AMONG THE FASTEST GROWING EXPORT MARKETS FOR THE CALIFORNIA ALMOND INDUSTRY.

Almond Board of California's strategy in China relies on both "push" and "pull" approaches to build awareness, preference and year-round demand for California Almonds. This includes cementing relationships with importers, retailers and food manufacturers to increase market penetration and diversified usage, as well as executing public relations and advertising programs to spread key messages to consumers about the benefits of almonds as a healthful, convenient and aspirational snack.

In 2010, Almond Board conducted integrated marketing programs featuring film actress and California Almond ambassador Gao Yuan Yuan. Such efforts included gaining wide visibility for Ms. Gao's endorsement of almonds via print media, online communications, in-store advertising, retail point of sale materials and wholesale market merchandising. Such efforts will be continued on an even larger scale for the peak fall and winter 2010/11 consumption season and beyond.

Promotional display in Chinese supermarkets featuring California Almond celebrity ambassador Gao Yuan Yuan.

PRIORITY DEVELOPMENT MARKET: INDIA



मुट्ठी भर चमक, इस दिवाली

घरों की झिलमिलाहट, फटाकों की धुम और पूरे परिवार के एक साथ होने की खुशी में, एक ऐसी चमक बिखरे, जिसे सब रस खाए। इस दिवाली केवल दीये न जलाएं, बल्कि एक मुट्ठी बादाम की चमक भी छा जाने दें।

सेहत मुट्ठी में

प्रधान: कैरोट्स | प्रमुख: दूध | अमरूत: पोटिडोस | सॉस: केचुप

california almonds
Almond Board of California

WITH ITS CENTURIES-LONG TRADITION OF GIVING ALMONDS TO CHILDREN AND PREGNANT WOMEN, AS WELL AS GIFTING ALMONDS DURING FESTIVE OCCASIONS, INDIA REPRESENTS A TOP STRATEGIC PRIORITY AND MAJOR GROWTH OPPORTUNITY FOR THE CALIFORNIA ALMOND INDUSTRY.

Almond Board of California's strategy in India, the fourth largest export market for almonds in crop year 2009/10, is to build upon existing traditions and positive perceptions for almonds while simultaneously providing new reasons and ways to enjoy them as part of today's contemporary lifestyle.

In 2010, ABC's programs in India (mostly consumer public relations activities) have centered around Bollywood actress and California Almond ambassador Karisma Kapoor and her endorsement of almonds in the media. Additionally, in the fall of 2010, ABC launched its first advertising program in India, which featured Ms. Kapoor. It included insertions in newspapers and magazines as well as television infomercials, reaching target moms across India's urban hubs.

Print advertisement in India for festive season featuring California Almond celebrity ambassador Karisma Kapoor.

SUSTAINABILITY



Almond grower participation at ABC sustainability workshop.

In many ways, sustainability has been a part of our industry's culture. One can't have fourth and fifth generations of almond farming without a long-term perspective. And nearly 40 years of production research by Almond Board of California has focused on improving resource-use efficiency. However, this interest has been heightened by

the growing population in the Central Valley, in California and globally; increased consumer awareness of the world's limited resources; and increased corporate awareness that reducing resources used often helps the bottom line.

Sustainability means ensuring that almonds remain: (1) a crop of choice for California growers to grow; (2) a crop Californians support sharing their land, water and air resources with; and (3) a food that consumers view as essential. Over five years ago, ABC's Environmental Committee tackled the question: What does sustainability mean to almond growing? Based on a series of grower workshops, the following definition was developed:

"SUSTAINABLE ALMOND FARMING UTILIZES PRODUCTION PRACTICES THAT ARE ECONOMICALLY VIABLE AND ARE BASED ON BOTH SCIENTIFIC RESEARCH AND COMMON SENSE. IT IS MOTIVATED BY A RESPECT FOR THE ENVIRONMENT, NEIGHBORS AND EMPLOYEES. THE RESULT IS A PLENTIFUL, HEALTHFUL AND SAFE FOOD PRODUCT."

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2010 ALMANAC

California Almond Sustainability Program Workbooks.

More recently, the Environmental Committee has initiated a sustainability self-assessment: the California Almond Sustainability Program. During the past year the first two modules focusing on irrigation and tree nutrition were written and almond growers participated in workshops using the self-assessment. The modules allow growers to evaluate their growing practices with an eye toward reducing resources used and minimizing environmental impact, while keeping the trees healthy. The data will be anonymously compiled to document the extent to which almond growers are already implementing sustainable practices and where additional research or education may be helpful. This data will also augment ABC's sustainability messaging to build credibility with almond customers that almond growers consider environmental and social factors when choosing growing practices in the face of the complex biological, economic and regulatory environments.

There is no single answer for the most sustainable way to grow almonds in California; our growing region is too diverse. However, documenting the thoughtfulness and the continued effort to work toward being sustainable is critical to ensuring that almonds remain a California crop of choice.



PRODUCTION RESEARCH

The Production Research Committee oversees Almond Board-funded agricultural research. Started in 1973 to address navel orangeworm, the program has expanded substantially. The long-term effort has increased yields and production efficiency, improved quality and food safety and developed environmentally responsible orchard and pest management practices.

HORTICULTURE: Improved plant materials is a top priority, and current ABC-funded efforts include variety and rootstock evaluation and development. A focus of almond variety improvement is self-compatible varieties having desirable market and production attributes with pest and disease resistances. Almond rootstock improvement is seeking resistance and tolerance to key soil-borne diseases and nematodes combined with desirable horticultural characteristics.

Balancing production efficiency and environmental stewardship, projects on tree nutrition and irrigation constitute an interdisciplinary approach being co-funded with the Environmental Committee. This work has been leveraged substantially with Farm Bill grant funds.

POLLINATION: The Bee Task Force, a subcommittee of the Production Research Committee, oversees ABC-funded pollination research. The focus of this research is honey bee health and nutrition, including factors implicated in Colony Collapse Disorder: viruses, Varroa mite, Nosema disease and improved bee nutrition. ABC is also supporting honey bee stock improvement programs. Research complements other efforts, including research funded by USDA and private groups like Project Apis m.

ENTOMOLOGY: Includes research on monitoring, management and control of insect pests, including navel orangeworm (NOW), spider mites and peach twig borer. Our participation in a comprehensive five-year USDA-ARS area-wide project for orangeworm reflects current priorities and is offering key insights and refinements to NOW management: the efficacy of mating disruption; upgrading orchard winter sanitation guidelines; developing bio-rational insecticide options to replace older, broad spectrum sprays; and reinforcing the link between orangeworm and aflatoxin.

FIELD-ORIENTED AFLATOXIN RESEARCH: Food safety starts in the field, and to this end, ABC is funding two field-oriented projects on aflatoxin. One is characterizing the geographic distribution and potential for aflatoxin under different growing scenarios. Another project has developed and is refining stockpile management guidelines to prevent aflatoxin.

PLANT PATHOLOGY: Research encompasses a wide range of diseases: Alternaria leaf spot, scab, brown rot, shothole, anthracnose, lower limb dieback, band canker and almond replant issues in light of soil fumigation restrictions. Efforts include countering fungicide resistance to diseases through resistance management fungicide programs and registering fungicides with different modes of action.

**For additional information, visit AlmondBoard.com.*

PRODUCTION RESEARCH BUDGET SUMMARY

	2009/10		2010/11*	
	Number of Projects	Budget	Number of Projects	Budget
Entomology	8	\$212,826	9	\$168,286
Horticulture	16	\$387,713	17	\$426,426
Field Aflatoxin Research	2	\$75,862	2	\$36,566
Plant Pathology	9	\$262,384	6	\$180,172
Pollination	9	\$123,427	5	\$91,350
Subtotal	44	\$1,062,212	39	\$902,800
Proceedings & Education	—	\$30,000	—	—
New Opportunities	—	\$73,900	—	\$47,200
TOTAL	—	\$1,166,112	—	\$950,000

ENVIRONMENTAL EXCELLENCE

To address the complex environmental and regulatory concerns facing almond growers, the Environmental Committee (EC) funds approximately \$700,000 annually in research and education. Almond Board of California continues to seek practical solutions through alliances with grower, academic and government organizations. For example, ABC was a partner in a California Department of Pesticide Regulation (DPR)-funded Pest Management Alliance II project with Community Alliance with Family Farmers (CAFF) and UC Extension focusing on integrated pest management (IPM) outreach.

2010 ENVIRONMENTAL PROGRAM HIGHLIGHTS

AIR QUALITY: Several projects continued to focus on dust (PM10 and PM2.5)-reduction measures during harvesting. The ongoing soil fumigant research projects are developing methods to reduce emissions, thereby reducing risks from off-gassing. Together with the Production Research Committee, the EC continued funding a multidisciplinary almond nutrient management project as well as a project that models tree growth. Both projects will improve our understanding of the carbon and nitrous oxide (N₂O) emitted and sequestered in almond production.

ENVIRONMENTAL PROJECTS

	2009/10	
	Number of Projects	Budget (spent)
Stewardship/Crop Protection*	4	\$247,735
Water Quality*	3	\$56,411
Air Quality*	7	\$335,202
Misc./Other†	—	\$18,500
TOTAL	14	\$657,848

*Includes project cost shared with Production Research.

†Includes Outreach, Proceedings and Research Services.

WATER QUALITY: ABC sponsors the Coalition for Urban/Rural Environmental Stewardship's (CURES) Watershed Coalition News, published three times a year, which provides information to growers about state regulations governing water run-off and groundwater, as well as tips to prevent run-off and spray drift. CURES also assessed the efficacy of run-off ponds to reducing pyrethroid movement.

ENVIRONMENTAL STEWARDSHIP PROGRAM:

The fifth annual Environmental Stewardship tour successfully educated state environmental regulators about environmentally responsible orchard practices. This year's tour also demonstrated how research has improved resource utilization over the years.

NUTRITION RESEARCH

In 2010, ten new papers were published in high-impact scientific journals, with two very timely papers demonstrating that almonds as a snack may slow the progression of diabetes. The U.S.-based study had 65 prediabetic subjects. After four months of consuming approximately two ounces of almonds daily, the almond-enriched group showed greater reduction in insulin and heart disease risk factors.¹ The second study was based in Asia and showed that almond consumption improved blood glucose control and lipid profiles for 20 middle-aged Chinese type 2 diabetics who incorporated two ounces (60g) of almonds into their daily diets for three months. Their intakes of dietary fiber, vitamin E and “good” unsaturated fats also increased, thereby potentially promoting heart health.² These results are relevant due to rapid changes in lifestyle in China as there is concern that diabetes may become epidemic.³

Every five years various governmental health policy makers review their countries' dietary guidelines. In 2010, both the U.S. and South Korea completed this exercise. In the U.S. the key themes recommended a diet that is more plant based, nutrient dense, energy balanced and portion controlled. The great news is that once released, the official guidelines will likely recommend “consumption of unsalted peanuts and tree nuts, specifically walnuts, almonds and pistachios, in the context of a nutritionally adequate diet and when total calorie intake is held constant, has a favorable impact on cardiovascular disease risk factors, particularly serum lipid levels.”⁴ In November 2010, South Korea will release its recommendations and we are optimistic that tree nuts and almonds specifically will have more favorable recommendations as a nutritious snack for Koreans.

Report of the
Dietary Guidelines
Advisory Committee
on the
Dietary Guidelines for
Americans, 2010

*Dietary Guidelines
Advisory Report on
the Dietary Guidelines
for Americans, 2010.*

1. Wien, M. et al 2010. Almond consumption and Cardiovascular Risk Factors in Adults with Prediabetes. Am. Coll. Nutr. 29(3), 189-197.
2. Li, SC et al. 2010. Almond consumption improved glycemic control and lipid profiles in patients with type 2 diabetes mellitus. Metabolism 59(10)
3. Yang, WY et al. 2010. Prevalence of Diabetes among Men and Women in China. N. Engl. J. Med. 362:1090-101.
4. Report of the Dietary Guidelines Advisory Committee on the Dietary Guidelines for Americans 2010, June 15, 2010. www.DietaryGuidelines.gov.
One serving of almonds (28g) has 13g of unsaturated fat and only 1g of saturated fat.



QUALITY ASSURANCE

The Food Quality and Safety Program ensures that the health and safety of consumers is the number one priority of the California Almond industry. Work begins in the orchard and is carried through to the manufacturer and beyond. Continued investment in research leads to the development of new tools and improvement of existing programs that enable growers and handlers to continue to improve food safety and quality practices.

ALMOND QUALITY RESEARCH

Results from multi-year studies are now being leveraged to understand how storage temperatures and humidity affect texture and quality parameters as well as water absorption and desorption of almonds. These findings are helping California Almond processors or users select optimal conditions to maximize shelf life and quality of almonds.

PATHOGEN ENVIRONMENTAL MONITORING PROGRAM (PEM)

Fresh off the heels of the 2009 Pathogen Environmental Program manual, ABC has now created a PEM go-to guide and video as companion pieces. PEM is a critical aspect of any food safety program and should be used by all companies as part of a comprehensive program. The video and go-to guide are simplified tools to help train employees on how to effectively implement a PEM program.

VOLUNTARY AFLATOXIN SAMPLING PLAN (VASP) PROGRAM MANUAL

The VASP program was developed and implemented by the California Almond Industry in 2007 in order to provide a sampling plan with equivalency to that being used by the EU. A VASP program manual has been created to detail the program requirements as well as the roles and responsibilities of all the parties involved.



PEM go-to guide.

INDUSTRY RELATIONS



ABC's Industry Relations (IR) program is committed to providing almond growers, handlers and other industry stakeholders with the most up-to-date tools, information and resources necessary to assist them in managing the many challenges facing the California Almond industry and to provide general education to local and global communities. In addition to our industry newsletters and articles, newly developed resources include:

TWITTER A real-time social media outlet used to share information with growers and handlers on items that are of immediate interest or concern. By following us (@almondboard), you will find information related to field production, processing, industry meetings and much more, in posts of 140 characters or less.

RIGHT TYPE FOR THE RIGHT USE E-LEARNING COURSE

Understanding the differences between almond varieties, forms and sizes, as well as common specifications for USDA grades and standards makes it possible for buyers to select the appropriate almond type for specific applications.

THE ALMOND INDUSTRY LEADERSHIP PROGRAM

Promoting future leadership within the industry for almond-invested individuals. This year-long program offers leadership training and comprehensive industry education.



AN ALMOND STORY ACTIVITY BOOK

Provides students in second through fifth grades with insight as to how almonds grow and the many processes they undergo before arriving in the grocery store. Each activity relates to one of the core subjects in elementary school.

Electronic versions of this resource, as well as additional resources, are available at AlmondBoard.com.

ANNUAL ALMOND INDUSTRY CONFERENCE

The Annual Almond Industry Conference (AIC) serves as a forum for information, communication and networking by offering multiple presentation tracks that respond to broad-based industry interests, including changes in import requirements, environmental regulations and promotional initiatives to grow consumer demand. These tracks coordinate with the overall Almond Board strategic goals, ensuring industry has access to the latest research, information and tools to operate in the most effective and cost-efficient way possible.

Above: An Almond Story activity book.



GLOBAL TECHNICAL + REGULATORY AFFAIRS

Almond shipments continue to grow globally, supported by programs that are multifaceted and designed to address the information needs of a diverse audience. Part of that overall support is the identification of regulatory and technical issues that impact the production and worldwide marketing of California Almonds. Authorities are under pressure to respond more quickly to issues, be it food safety, environmental or health related. Ensuring decisions are based on fact often puts the responsibility on industry to generate scientifically sound data and to educate decision makers on the technical impact of the policies that are pursued.

In the U.S., regulatory initiatives have covered everything from potential labeling of acrylamide under Proposition 65 to new food safety legislation under consideration by Congress. The California Legislative Report on the ABC Web site provides an overview of current issues. Ongoing discussions with the Food and Drug Administration have focused on ensuring proactive almond industry programs continue to be recognized as a basis for almonds being considered a lower risk, particularly with increased state and federal inspections and development of guidance documents to address pathogen mitigation in agricultural settings.

Internationally, years of collaboration on technical information through international organizations led to the EU adopting higher aflatoxin limits in 2010 for several crops, including almonds. Initial indications are that rejections in Europe are down almost 50 percent. Relations with European authorities were further expanded with a visit by a delegation of Spanish and Italian port officials. Demonstrating the robustness of the VASP program, USDA-approved laboratory procedures and data on why rejections can still occur in Europe (even after testing in California) were all important aspects of the trip.

Market access constraints, such as tariffs and pesticide residue limits, continue to limit potential export growth. Efforts with agrochemical registrants and USDA have focused on highlighting those compounds where harmonization of residue limits is needed. Overall, providing these technical comments, background on almond trade and projecting shipment opportunities under improved market terms are all components of a comprehensive strategy to promote unimpeded demand for California Almonds.

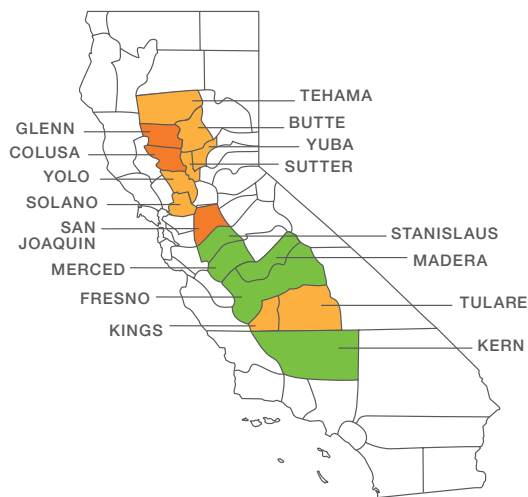
CALIFORNIA ALMOND INDUSTRY OVERVIEW

California's Central Valley has the ideal growing conditions for almonds, including mild climate, rich soil and abundant sunshine.

California Almonds make up about 80 percent of global and virtually 100 percent of domestic supply. According to the 2007 USDA Ag Census, California Almond farms total around 6,500. Of these farms, 72 percent are family-owned and 51 percent consist of 1–49 acres.

During the 2009/10 crop year, California Almonds produced 1.406 billion pounds of almonds on 720,000 bearing acres. In the same year, 103 handlers shipped a record-breaking 1.471 billion pounds of almonds, a 6 percent increase over the prior year.

ALMOND PRODUCTION BY COUNTY 2009/10



● >100 million pounds ● 50–99 million pounds ● 1–49 million pounds

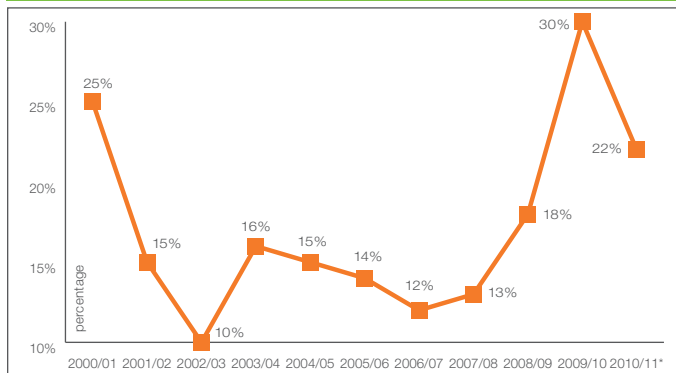
DISTRIBUTION OF CROP BY HANDLER SIZE

	Number of Handlers	Percentage of Crop Handled
2009: 103 Handlers		
<1M pounds	31	0.5%
1–20M pounds	52	24%
21–40M pounds	11	26%
>40M pounds	9	50%
2004: 112 Handlers		
<1M pounds	41	1%
1–20M pounds	58	37%
21–40M pounds	10	29%
>40M pounds	3	32%

HISTORICAL SHIPMENTS

Global demand for California Almonds from both consumers and food manufacturers continued to grow in crop year 2009/10 as the global economic downturn persisted. According to the July 2010 Almond Board Position Report, 1.47 billion pounds of almonds were shipped worldwide during the 2009/10 crop year, which spans August through July of each year. This marked the fourth consecutive year of record shipments and reflects a 6 percent increase over 2008/09.

CARRY-IN AS PERCENTAGE OF PRIOR YEAR SHIPMENTS 2000/01–2010/11

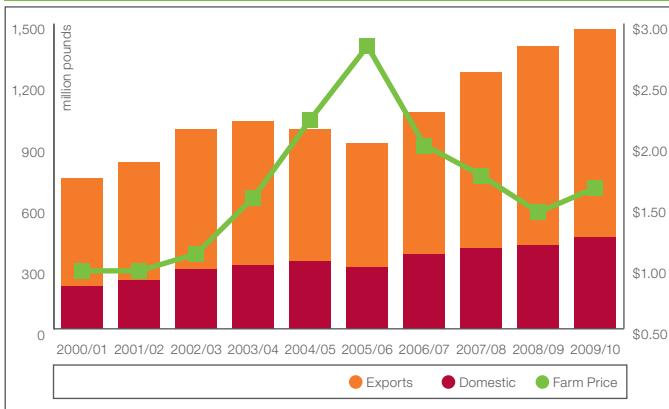


Source: Almond Board of California. Bureau of Census, U.S. Department of Commerce. *Projected.
 †USDA, National Agricultural Statistics Service, California Field Office (NASS/CFO).

U.S. rose 9 percent over the prior year to reach 449.5 million pounds in 2009/10, and it continues to be the single largest market for California Almonds. The U.S. accounted for a 31 percent share of total shipments, with the remaining 69 percent destined for about 90 countries around the world. Total exports reached 1.022 billion pounds, surpassing the previous record set just a year ago by 4 percent. The top five export destinations were Spain, China, Germany, India and the United Arab Emirates. Shipments to all five markets remained strong while shipments to China increased for the second year in a row from 99.7 million pounds in 2008/09 to 133 million pounds in 2009/10.

On a regional basis, exports to Western Europe were 438 million pounds, a 2 percent decline compared to the prior year but still firmly maintaining the region's ranking as the largest export region for California Almonds worldwide. Western Europe accounted for a 43 percent share of exports, compared to 32 percent for Asia-Pacific and 15 percent for the Middle East. Meanwhile, the share of Asia-Pacific reached 328 million pounds, a 17 percent increase compared to last year.

HISTORICAL SHIPMENTS VS. FARM PRICE[†] CROP YEAR 2000/01–2009/10



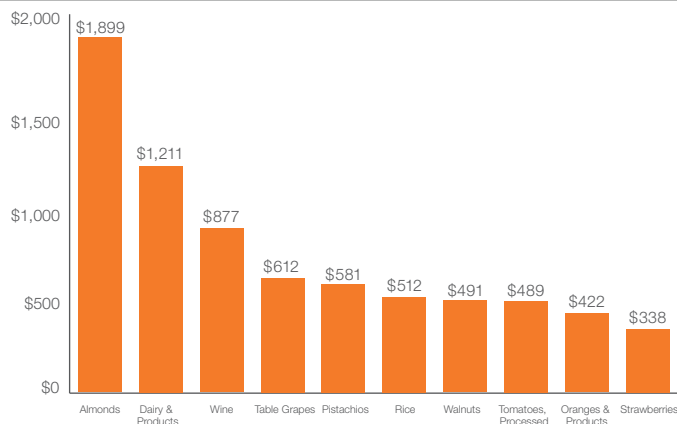
TOP TEN EXPORTS BY VALUE

TOP TEN U.S. SPECIALTY CROP EXPORTS BY VALUE 2009* IN MILLIONS



Source: Bureau of the Census, U.S. Department of Commerce, Foreign Trade Statistics.
*Calendar year January through December 2009.

TOP TEN CALIFORNIA AGRICULTURAL EXPORTS BY VALUE 2008* IN MILLIONS



Source: Agricultural Issues Center, University of California.
*Calendar year January through December 2008.



POSITION REPORT OF CALIFORNIA ALMONDS MILLION POUNDS

Crop Year	Redetermined Marketable	Carry-in	Reserve	Total Salable Supply	Domestic Shipments	Export Shipments	Total Shipments	Salable Carry-over
1991/92	463.2	241.3	0.0	704.5	178.6	377.8	556.4	148.1
1992/93	516.0	148.1	N/A	664.1	186.0	349.9	535.9	128.2
1993/94	470.0	133.6	N/A	603.6	162.0	336.5	498.5	102.6
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*	1,600.5	321.3	N/A	1,921.8	487.5	1,137.5	1,625.0	296.8

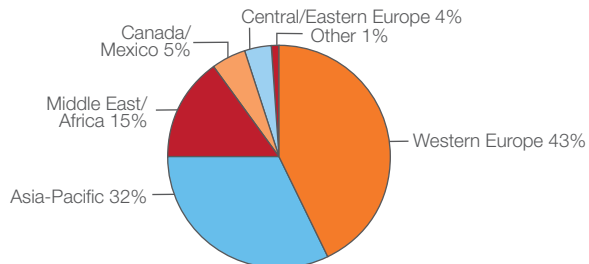
Source: Almond Board of California. Note: Totals may not add precisely due to rounding. *Forecast.

DESTINATION OVERVIEW OF CALIFORNIA ALMONDS

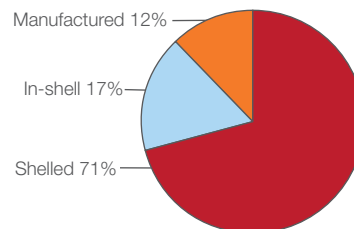
TOP WORLD DESTINATIONS 2009/10



CALIFORNIA ALMOND EXPORTS BY REGION 2009/10



EXPORT SHIPMENTS BY PRODUCT TYPE 2009/10



EXPORTS BY DESTINATION MILLION POUNDS

WORLD REGION AND DESTINATION		2009/10	2008/09	2007/08	2006/07	2005/06
AMERICAS	NORTH AMERICA					
	Canada	39.42	40.60	39.05	32.32	27.16
	Mexico	7.82	6.50	9.10	8.62	7.47
	Total North America	47.25	47.10	48.16	40.99	34.63
	LATIN AMERICA/CARIBBEAN					
	Argentina	0.50	0.02	0.39	0.54	0.06
	Brazil	0.60	0.54	0.48	0.82	0.43
	Chile	6.96	3.06	3.96	3.73	3.01
	Total Latin America/Caribbean	10.07	5.14	6.14	6.27	4.54
	TOTAL AMERICAS	57.32	52.24	54.30	47.26	39.17
ASIA-PACIFIC	NORTHEAST ASIA					
	China/Hong Kong	133.04	99.70	46.57	32.33	16.67
	Japan	52.93	48.99	47.08	48.72	42.90
	South Korea	25.69	21.21	16.77	11.56	10.14
	Taiwan	7.06	6.05	5.23	5.64	4.53
	Total Northeast Asia	218.72	175.96	115.65	98.26	74.25
	SOUTHEAST ASIA					
	Indonesia	1.38	1.37	0.96	1.14	0.64
	Malaysia	4.18	2.62	3.35	2.56	1.89
	Singapore	2.06	2.06	2.38	2.14	1.71
	Thailand	3.90	2.11	2.04	2.33	1.70
	Vietnam	4.27	0.91	2.05	1.31	0.12
	Total Southeast Asia	15.97	9.22	10.89	9.59	6.31
	SOUTH/CENTRAL ASIA					
	India	83.93	86.85	72.79	58.47	39.98
	Pakistan	4.86	4.29	1.80	1.17	0.34
	Total South/Central Asia	89.02	91.67	74.81	59.67	40.36
	AUSTRALASIA/OCEANIA					
	Australia	2.47	2.23	2.21	4.06	3.78
	New Zealand	2.24	1.37	1.63	2.10	1.47
	Total Australasia/Oceania	4.71	3.61	3.84	6.17	5.38
	TOTAL ASIA-PACIFIC	328.43	280.45	205.20	173.68	126.30
WESTERN EUROPE	Austria	0.63	0.46	0.53	0.13	0.09
	Belgium	17.37	14.29	24.03	15.01	13.96
	Denmark	7.28	7.88	9.57	7.73	7.73
	Finland	2.82	1.29	1.15	1.20	0.86
	France	30.12	30.83	37.83	31.30	40.04
	Germany	109.04	105.69	105.11	92.43	79.46
	Greece	12.01	15.56	21.05	16.63	16.38
	Italy	34.64	37.33	43.40	33.17	42.19

WORLD REGION AND DESTINATION		2009/10	2008/09	2007/08	2006/07	2005/06
WEST EUROPE, CONT.	Netherlands	35.70	32.26	29.19	35.79	35.59
	Norway	4.76	4.59	4.15	4.08	3.91
	Portugal	2.51	1.48	1.55	0.93	0.94
	Spain	143.36	158.62	157.04	101.33	98.70
	Sweden	6.35	7.17	5.56	5.68	5.01
	Switzerland	5.66	4.60	5.32	4.88	4.41
	United Kingdom	25.66	26.24	24.27	27.88	22.59
	Total Western Europe	438.23	448.50	469.97	379.00	372.66
CENTRAL/EASTERN EUROPE	Bulgaria	0.67	1.12	1.05	0.80	0.63
	Croatia	2.69	1.16	1.06	0.38	0.21
	Czech Republic	4.78	3.68	2.41	2.10	1.02
	Estonia	1.63	0.34	0.31	0.35	0.26
	Hungary	0.62	0.62	0.22	0.56	0.39
	Latvia	1.20	2.90	6.41	4.69	4.10
	Lithuania	1.54	1.27	1.26	0.51	0.67
	Poland	1.51	1.52	1.33	1.19	1.30
	Russia	22.69	19.73	20.07	16.51	12.42
	Ukraine	1.09	1.22	1.66	0.41	0.19
Total Central/Eastern Europe		39.90	35.16	36.71	27.90	21.50
TOTAL EUROPE		478.13	483.66	506.68	406.90	394.16
MIDDLE EAST/AFRICA	MIDDLE EAST					
	Bahrain	0.74	0.88	0.59	0.38	0.44
	Cyprus	1.42	1.23	1.78	1.03	0.82
	Israel	6.57	7.04	6.21	4.18	9.10
	Jordan	8.80	9.81	5.14	3.72	1.75
	Kuwait	2.37	2.15	2.08	1.84	1.38
	Lebanon	5.59	7.93	3.84	2.68	1.87
	Saudi Arabia	7.52	6.02	6.18	5.39	3.30
	Turkey	36.60	28.69	16.16	8.60	4.73
	United Arab Emirates	67.20	68.22	44.95	30.45	19.05
	Total Middle East	137.27	132.33	87.79	58.54	42.52
	NORTH AFRICA					
	Algeria	6.88	14.26	3.84	3.58	1.98
	Egypt	8.62	10.22	3.88	3.66	2.15
	Morocco	0.95	0.91	0.88	0.93	0.48
	Tunisia	1.24	0.72	0.04	0.00	0.24
	Total North Africa	17.81	27.19	9.42	8.41	5.13
	SUB-SAHARAN AFRICA					
	South Africa	2.79	2.32	2.69	2.96	2.92
	Total Sub-Saharan Africa	3.00	2.47	3.00	3.00	3.09
TOTAL MIDDLE EAST/AFRICA		158.08	162.00	100.21	69.95	50.74
GRAND TOTAL EXPORTS		1,021.96	978.36	866.39	697.79	610.38

Source: Almond Board of California. Note: Totals may not add precisely due to rounding.



WORLD ALMOND PRODUCTION

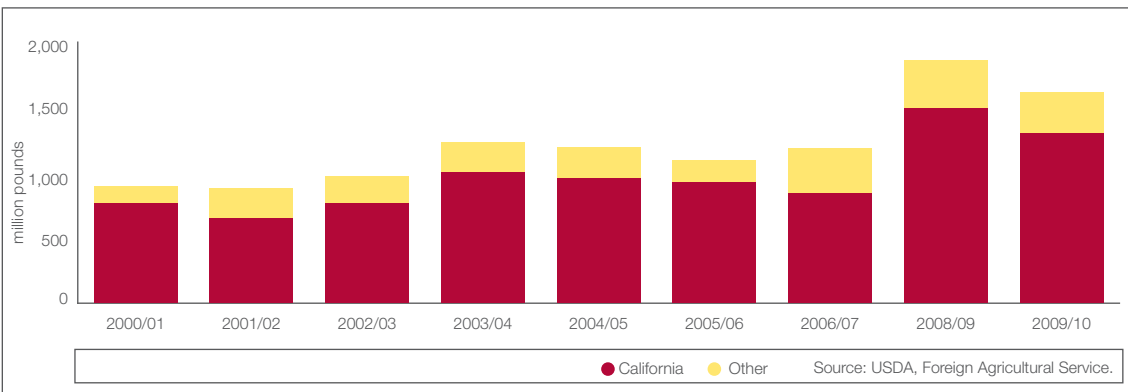
COMMERCIAL PRODUCTION OF ALMONDS IN MAJOR PRODUCING COUNTRIES

MILLION POUNDS (SHELLED BASIS)

Crop Year	Australia	California	China	Chile	India	Turkey	Greece	Italy	Spain	Total	CA % of Total
2000/01	18.9	698.4	—	—	—	34.2	34.2	22.0	116.8	924.5	76%
2001/02	20.2	824.1	—	—	2.2	30.9	28.7	39.7	125.7	1,071.5	77%
2002/03	20.6	1,083.7	—	—	2.4	30.9	37.5	19.8	145.5	1,340.4	81%
2003/04	22.3	1,032.9	—	—	2.2	30.2	22.0	11.0	97.0	1,217.6	85%
2004/05	25.3	998.0	0.2	16.5	2.4	27.1	37.5	26.5	57.7	1,191.2	84%
2005/06	35.7	911.7	2.2	15.4	2.5	30.2	30.9	26.5	140.0	1,195.1	76%
2006/07	35.1	1,116.7	0.4	15.2	2.6	31.7	33.1	13.2	182.0	1,430.2	78%
2007/08	58.5	1,383.0	2.9	19.4	2.2	34.2	22.0	26.5	125.4	1,674.0	83%
2008/09	57.5	1,614.6	0.9	17.6	2.6	35.3	22.0	26.5	120.3	1,925.4	84%
2009/10	80.5	1,405.9	3.3	14.3	2.6	35.3	18.7	13.2	188.5	1,762.3	80%

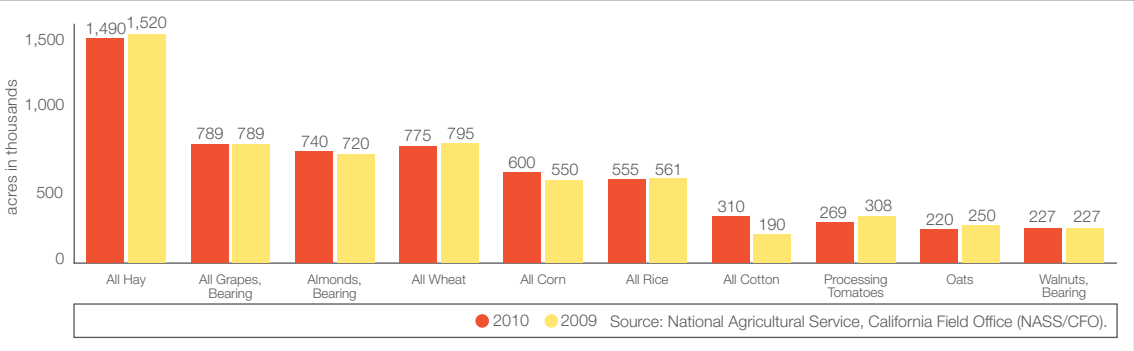
Sources: Almond Board of California, Almond Board of Australia, USDA and Foreign Agricultural Service. Note: Reported countries account for nearly 100% of world production.

CALIFORNIA'S SHARE OF WORLD PRODUCTION CROP YEAR 2000/01–2009/10

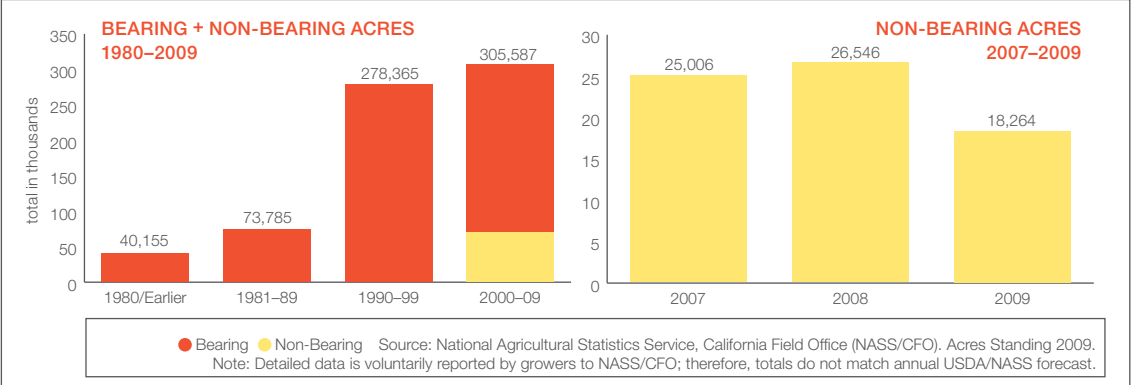


CALIFORNIA'S CROP + ALMOND ACREAGE

CALIFORNIA TOP TEN ACREAGE BY CROP TOTAL PLANTED OR BEARING CROP YEAR 2009/10



CALIFORNIA ALMOND ACREAGE BY YEAR PLANTED



COMPETING NUTS

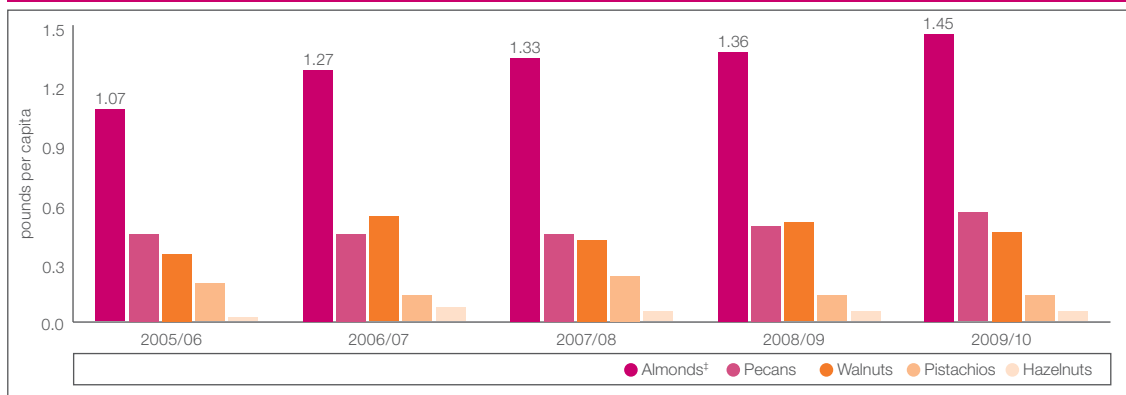
U.S. MARKETABLE PRODUCTION AND IMPORTS OF COMPETING NUTS

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
2000/01	677.0	0.4	204.0	0.4	17.4	11.7	92.6	33.0	114.2	0.9	22.7	246.8
2001/02	800.7	0.8	256.7	0.2	38.1	15.2	145.6	35.5	80.7	0.5	25.5	286.7
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

Source: USDA, Economic Research Service, *Fruit & Tree Nut Situation and Outlook*. Note: Marketable production is utilized production minus inedible and noncommercial use. *Other nuts include brazil nuts, macadamia nuts, pine nuts, chestnuts, cashews and mixed nuts. †Preliminary. ‡Data provided by Almond Board of California.

DOMESTIC PER CAPITA CONSUMPTION OF COMPETING NUTS CROP YEAR 2005/06–2009/10



ALMOND PRODUCTION BY COUNTY MILLION POUNDS

CROP YEAR	SOUTHERN VALLEY COUNTIES								NORTHERN VALLEY COUNTIES							
	Kern	Fresno	Stanislaus	Merced	Madera	San Joaquin	Tulare	Kings	Colusa	Glenn	Butte	Yolo	Tehama	Sutter	All Others	Total
2000/01	137.0	95.2	125.5	95.2	68.1	43.2	11.0	3.2	30.4	27.1	44.3	5.2	7.2	3.2	1.9	697.7
2001/02	167.0	131.5	139.3	110.6	80.5	46.3	15.8	5.8	31.8	29.3	49.1	4.3	5.7	4.1	2.2	823.3
2002/03	221.0	173.0	193.5	152.9	106.3	57.2	20.7	8.2	28.4	41.5	59.3	5.2	8.6	4.5	2.6	1,082.9
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

Source: USDA Form FV193, Report of Inedible Content of Almond Receipts. Note: Totals may not add precisely due to rounding.



RECEIPTS BY COUNTY + VARIETY 2009/10 CROP YEAR

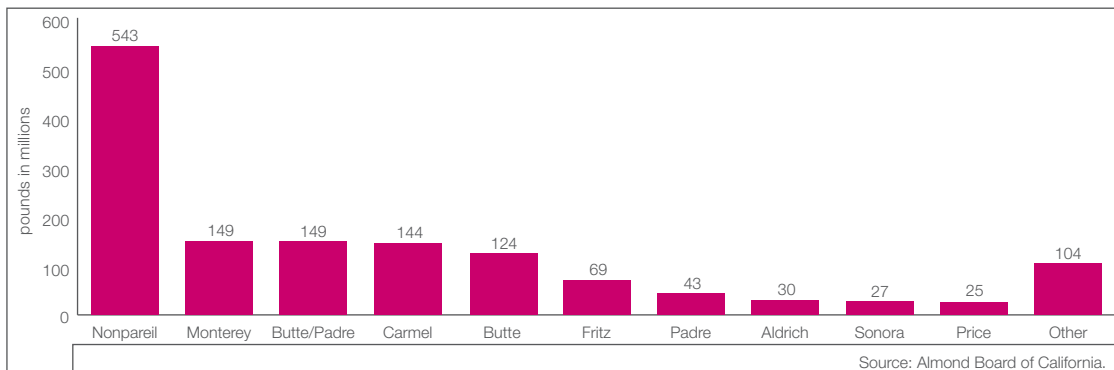
Counties	% Crop	Nonpareil Lbs.	Monterey Lbs.	Butte/Padre Lbs.	Carmel Lbs.	Butte Lbs.	Fritz Lbs.	All Others Lbs.	All Varieties Lbs.
ALL OTHERS									
Modoc	0.00%	0	0	0	0	0	0	15,236	15,236
COAST COUNTIES									
Del Norte	0.01%	0	10,685	0	36,036	9,336	0	33,396	89,453
Monterey	0.01%	82,560	0	0	49,416	0	0	24,295	156,271
Coast Totals	0.02%	82,560	10,685	0	85,452	9,336	0	57,691	245,724
NORTH VALLEY									
Butte	3.51%	20,032,191	750,319	2,296,884	5,058,584	4,856,558	356,716	15,809,355	49,160,607
Colusa	5.40%	32,214,817	4,376,316	1,046,881	9,205,588	12,267,969	4,481,554	12,107,940	75,701,065
Glenn	3.76%	24,613,898	1,773,148	1,029,068	6,635,259	7,712,926	556,082	10,371,545	52,691,926
Solano	0.26%	1,900,367	84,531	249,501	196,053	732,506	8,439	543,708	3,715,105
Sutter	0.37%	1,271,328	92,899	682,318	494,579	546,626	66,903	2,006,310	5,160,963
Tehama	0.78%	4,817,207	132,729	537,864	1,633,878	1,811,888	3,280	2,004,767	10,941,613
Yolo	0.89%	5,086,071	487,791	1,074,195	1,454,276	1,885,576	257,483	2,196,346	12,441,738
Yuba	0.06%	428,509	35,596	13,017	52,588	24,962	21,317	314,338	890,327
North Totals	15.02%	90,364,388	7,733,329	6,929,728	24,730,805	29,839,011	5,751,774	45,354,309	210,703,344
SOUTH VALLEY									
Fresno	20.10%	105,270,808	42,863,645	34,824,429	21,974,751	24,836,063	11,664,605	40,512,069	281,946,370
Kern	22.66%	119,629,371	51,732,180	32,877,223	13,183,759	31,518,210	26,632,658	42,302,969	317,876,370
Kings	1.47%	8,155,287	2,762,326	3,524,072	981,543	1,345,907	1,356,971	2,510,249	20,636,355
Madera	8.01%	40,722,833	14,287,094	16,448,007	12,461,994	6,462,238	2,833,914	19,124,110	112,340,190
Merced	11.17%	57,084,995	12,380,226	16,876,648	23,127,461	12,576,003	6,236,934	28,420,473	156,702,740
San Joaquin	5.04%	29,927,481	1,568,083	10,661,903	12,581,813	3,072,342	4,277,644	8,575,170	70,664,436
Stanislaus	14.17%	78,342,907	11,619,285	24,070,017	32,993,986	10,562,477	7,756,893	33,454,586	198,800,151
Tulare	2.33%	13,119,431	4,203,011	2,507,668	1,734,785	3,685,781	2,456,171	4,925,317	32,632,164
South Totals	84.96%	452,253,113	141,415,850	141,789,967	119,040,092	94,059,021	63,215,790	179,824,943	1,191,598,776
YTD TOTALS	100.00%	542,700,061	149,159,864	148,719,695	143,856,349	123,907,368	68,967,564	225,252,179	1,402,563,080

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

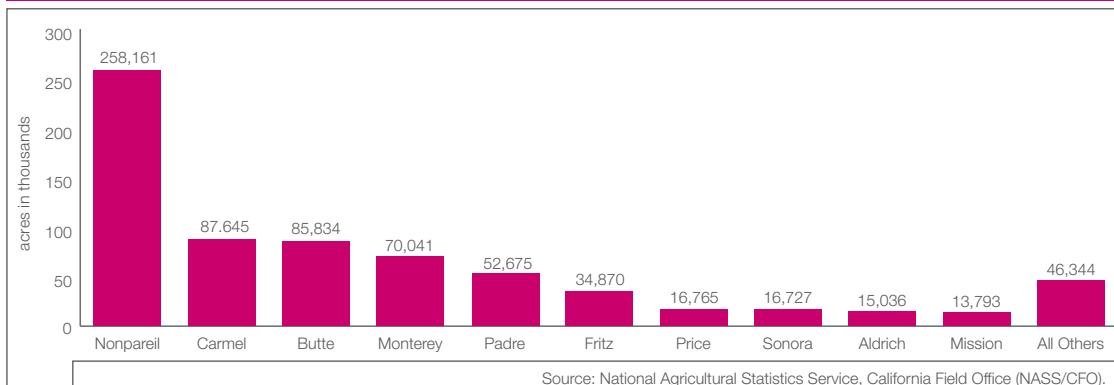


TOP TEN ALMOND VARIETIES + ACREAGE

TOP TEN ALMOND PRODUCING VARIETIES 2009/10



TOP TEN ALMOND ACRES STANDING BY VARIETY TOTAL PLANTED OR BEARING, 2009

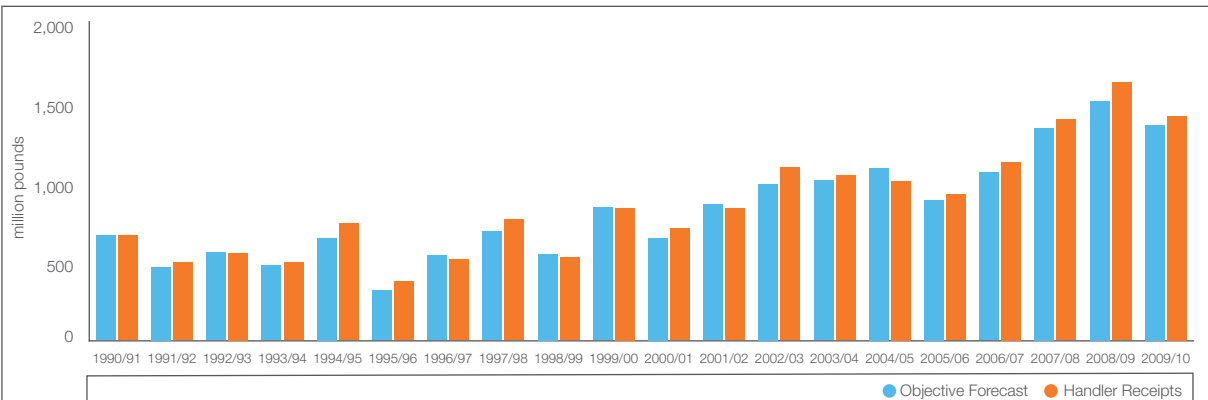


ALMOND CROP ESTIMATES VS. ACTUAL RECEIPTS MILLION POUNDS

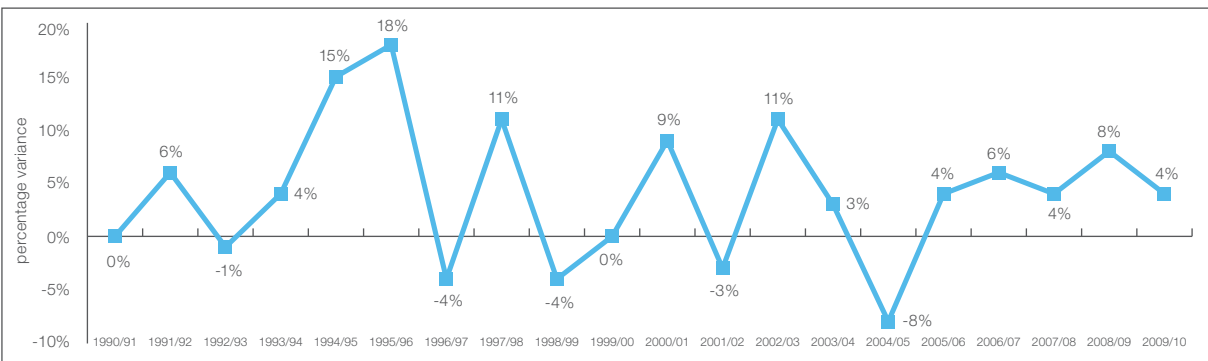
Crop Year	Objective Forecast	Handler Receipts	Loss and Exempt	Redetermined Marketable Weight	Pounds Rejects in Receipts
1991/92	460.0	485.9	22.7	463.2	15.3
1992/93	550.0	545.9	29.9	516.0	15.5
1993/94	470.0	488.2	18.2	470.0	9.8
1994/95	640.0	732.9	19.6	713.3	12.8
1995/96	310.0	366.7	14.4	352.3	10.4
1996/97	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	*	49.5	1,600.5 [†]	*

Source: Almond Board of California. Objective forecast provided by USDA, National Agricultural Statistics Service, California Field Office (NASS/CFO). *Not available at time of publication. [†]Estimate.

ALMOND CROP FORECASTS VS. ACTUAL RECEIPTS CROP YEAR 1990/91–2009/10



ALMOND RECEIPTS VARIANCE FROM FORECAST CROP YEAR 1990/91–2009/10



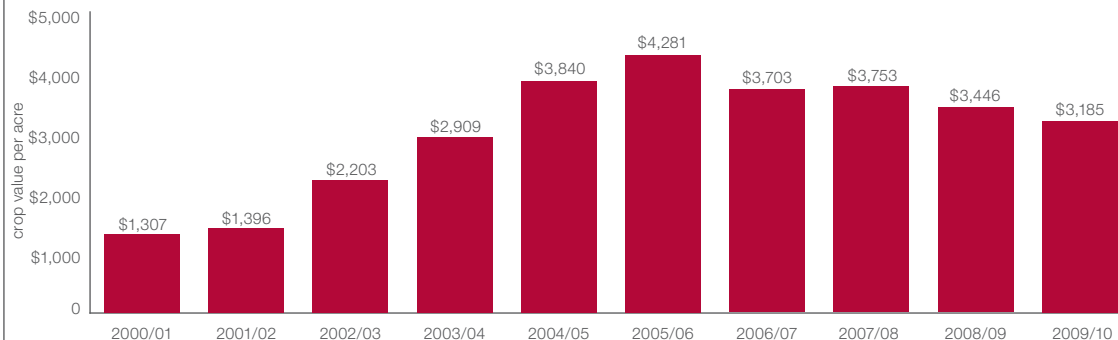
Source: Almond Board of California. Objective forecast provided by USDA, National Agricultural Statistics Service, California Field Office (NASS/CFO).

CALIFORNIA ALMOND ACREAGE + FARM VALUE

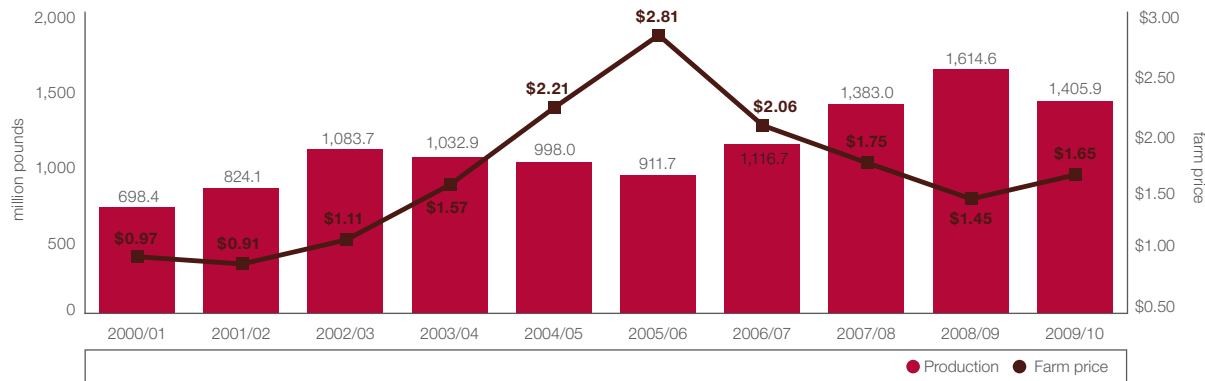
CROP YEAR	ACREAGE				YIELD		VALUE IN DOLLARS		
	Bearing	Non Bearing	Total	New Plantings	Bearing Acre Yield (lbs.)	Production* (million lbs.)	Farm Price	Farm Value (\$1,000)	Value per Bearing Acre
2000/01	510,000	100,000	610,000	23,585	1,380	698.4	\$0.97	\$666,487	\$1,307
2001/02	530,000	75,000	605,000	19,348	1,570	824.1	\$0.91	\$740,012	\$1,396
2002/03	545,000	65,000	610,000	15,857	2,000	1,083.7	\$1.11	\$1,200,687	\$2,203
2003/04	550,000	60,000	610,000	17,639	1,890	1,032.9	\$1.57	\$1,600,144	\$2,909
2004/05	570,000	70,000	640,000	36,220	1,760	998.0	\$2.21	\$2,189,005	\$3,840
2005/06	590,000	110,000	700,000	49,281	1,550	911.7	\$2.81	\$2,525,909	\$4,281
2006/07	610,000	145,000	755,000	35,486	1,840	1,116.7	\$2.06	\$2,258,790	\$3,703
2007/08	640,000	125,000	765,000	14,381	2,170	1,383.0	\$1.75	\$2,401,875	\$3,753
2008/09	680,000	115,000	795,000	21,678	2,400	1,614.6	\$1.45	\$2,343,200	\$3,446
2009/10	720,000	90,000	810,000	18,264	1,960	1,405.9	\$1.65	\$2,293,500	\$3,185

Source: USDA, National Agricultural Statistics Service, California Field Office (NASS/CFO).
Note: Almond Board does not track prices. *Production numbers provided by Almond Board of California.

CROP VALUE PER BEARING ACRE CROP YEAR 2000/01–2009/10



PRODUCTION VS. FARM PRICE* CROP YEAR 2000/01–2009/10

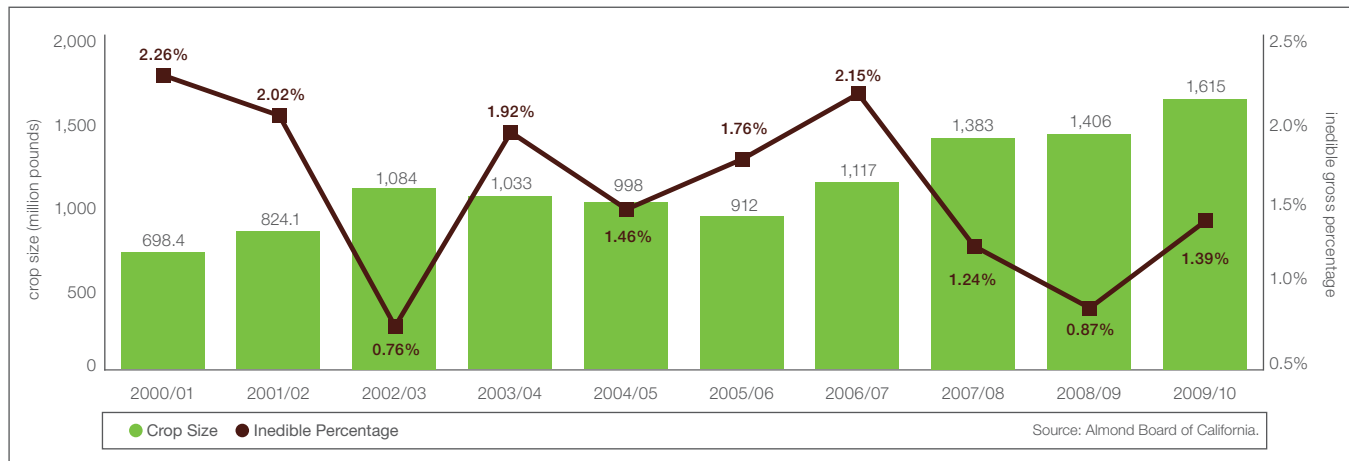


Source: USDA, National Agricultural Statistics Service, California Field Office (NASS/CFO).

Note: Almond Board of California does not track prices.

*Production numbers provided by Almond Board of California.

CROP SIZE HISTORY VS. INEDIBLE PERCENTAGE CROP YEAR 2000/01–2009/10



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USDA GRADES SHELLED (EFFECTIVE 3/24/97)

	Whole Kernels	Minimum Diameter (in in.)	Dissimilar	Doubles	Chip + Scratch	Foreign Material	Particles + Dust	Split + Broken	Other Defects	Serious Defects	Undersize
U.S. Fancy	—	—	5%	3%	5%	.05%	0.1%	1%	2%	1%	—
U.S. Extra No. 1	—	—	5%	5%	5%	.05%	0.1%	1%	4%	1.5%	—
U.S. No. 1*	—	—	5%	15%	10%	.05%	0.1%	1%	5%	1.5%	—
U.S. Select Sheller Run	—	—	5%	15%	20%	0.1%	0.1%	5%	3%	2%	—
U.S. Standard Sheller Run	—	—	5%	25%	35%	0.2%	0.1%	15%	3%	2%	—
U.S. No. 1 Whole + Broken	30%	20/64 UOS†	5%	35%	x	0.2%	0.1%	x	5%	3%	5%
U.S. No. 1 Pieces	x	8/64	x	x	x	0.2%	1.0%	x	5%	3%	5%

*U.S. No. 1 is commonly referred to by industry as supreme. However, supreme is not a USDA grade. †UOS = unless otherwise specified.

OTHER DEFECTS

GUM: More than 1/4 inch in diameter.

SHRIVELING: Less than 3/4 of pellicle filled.

BROWN SPOT: More than 1/8 inch in diameter.

DISCOLORATION: More than 1/2 of surface.

DEFINITIONS

WHOLE KERNELS: Less than 1/8 kernel chipped off.

CHIP AND SCRATCH: More than 1/4 inch in diameter, except U.S. fancy with 1/8 inch in diameter.

SPLIT AND BROKEN: 7/8 or less of complete whole kernel at least 1/8 inch in diameter.

SERIOUS DEFECTS: Includes decay, rancidity, insect injury and damage by mold.

INSECT: Insect, web, frass present or definite evidence of feeding.

X

No limit established.

Also included in "Other Defects"

Includes max. 2% under 20/64 inch.

Includes max. 5% under 20/64 inch.
% also included in "Chip & Scratch."

1 U.S. ton = .907 metric ton
1 metric ton = 2,204.6 pounds
1 pound = 453.6 grams
10 oz. = 283.5 grams

SAMPLE SIZES POUNDS

Lot Size	10,000	10,000–44,000	>44,000
Grams Drawn	2,000	4,000	6,000
Grams Analyzed	1,000	2,000	3,000

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10 ALMANAC

USDA GRADES IN-SHELL

	Medium	External Defect	Dissimilar	Undersize	Foreign Material	Internal (Kernel) Defect
U.S. No. 1*	28/64	10%	5%	5%	2%	10%
U.S. No. 1 Mixed	28/64	10%	—	5%	2%	10%
U.S. No. 2	28/64	10%	5%	5%	2%	10%
U.S. No. 2 Mixed	28/64	10%	—	5%	2%	10%

*U.S. No. 1 is commonly referred to by industry as supreme. However, supreme is not a USDA grade.

 Additional 20% for discoloration of shell.

 Includes maximum 1% less than 24/64 by weight. All others by count.

 Includes max. 5% serious, no live insects in shell.

DEFINITIONS

U.S. NO. 1: Similar varietal characteristics. Free from loose, extraneous and foreign material. Shells are clean, fairly bright, fairly uniform in color and free from damage caused by discoloration, adhering hulls, broken shells or other means. Kernels are well dried, free from decay, rancidity, damage caused by insects, mold, gum, skin discoloration, shriveling, brown spots or other means.

LOOSE FOREIGN MATERIAL: 2%, including 1% passing through a 24/64 inch screen (this is also by weight).

INTERNAL DEFECTS: 10%, including 5% serious damage.

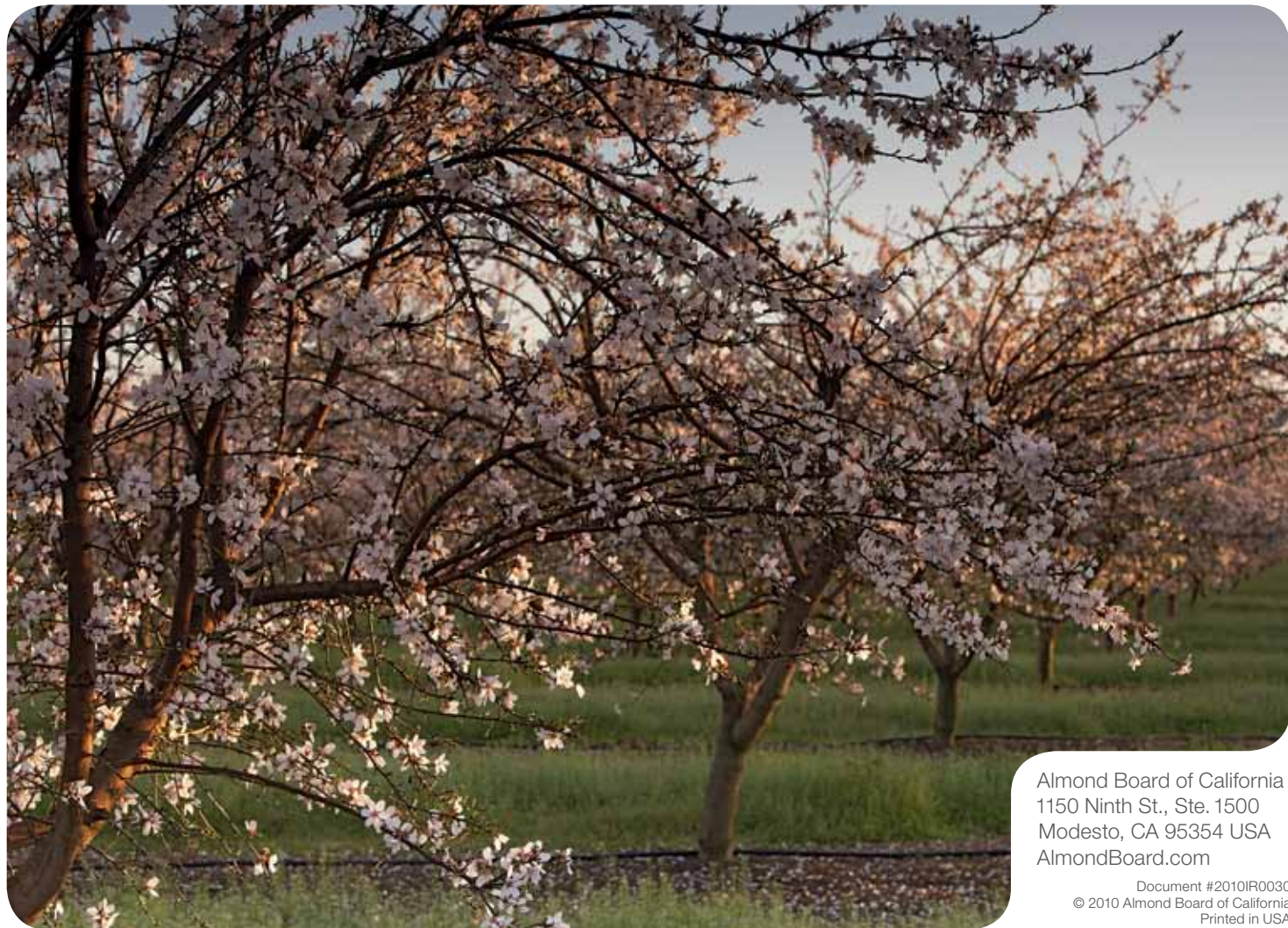
U.S. NO. 1 MIXED: U.S. No. 1 grade, except that two or more varieties are mixed.

U.S. NO. 2: Consists of almonds in the shell that meet the requirements of U.S. No. 1 grade, except that an additional tolerance of 20% shall be allowed for almonds with shells damaged by discoloration.

U.S. NO. 2 MIXED: Consists of almonds in the shell that meet the requirements of U.S. No. 2 grade, except that two or more varieties of almonds are mixed.

SIZE: Unless otherwise specified, 28/64 inch in thickness.





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