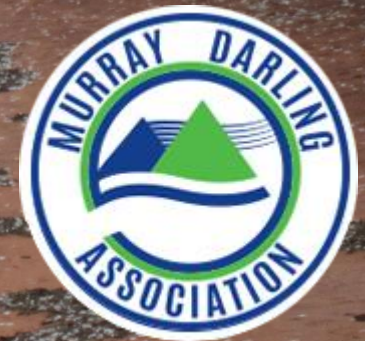




australian  
almonds

ALMOND BOARD OF AUSTRALIA

# Murray Darling Association Euston 2019

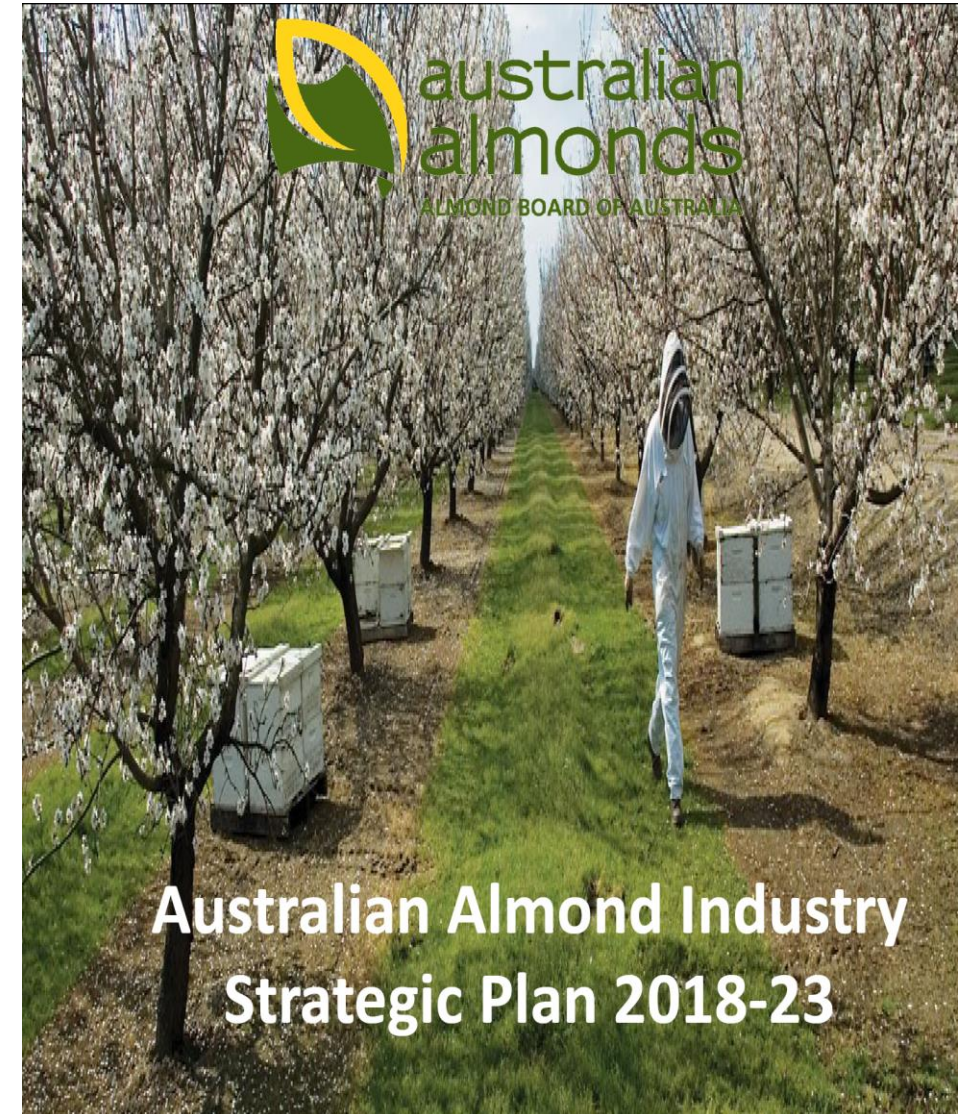




The Almond Board of Australia is charged with guiding the development of the industry through developing and implementing our Strategic Plan.

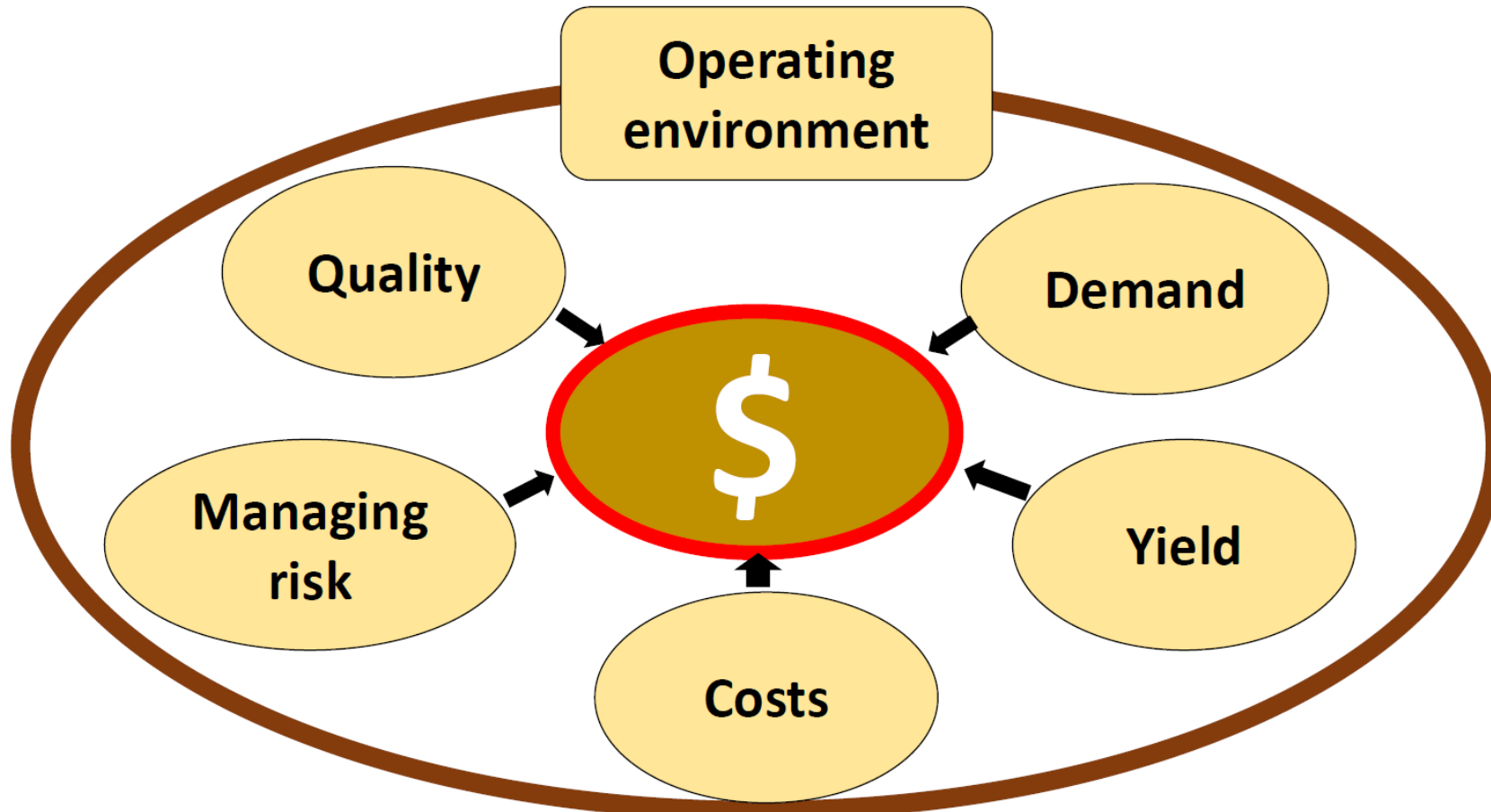
The aim of the past Plan was to –  
***profitably and sustainably grow*** the industry.

The new aim is to –  
***profitably and sustainably develop*** the industry.



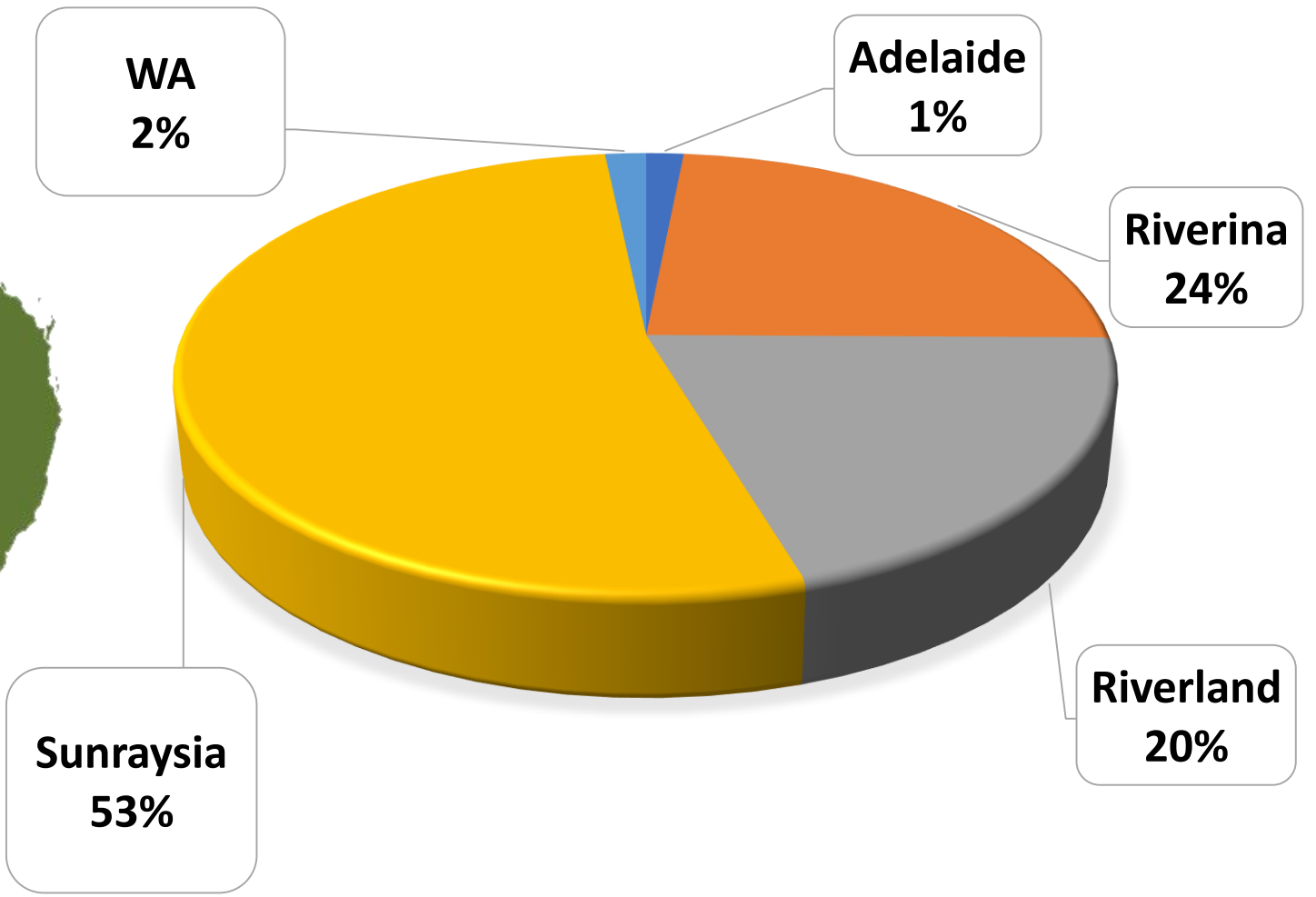


The areas the ABA's Strategic Plan and Committees cover are the improvement of:



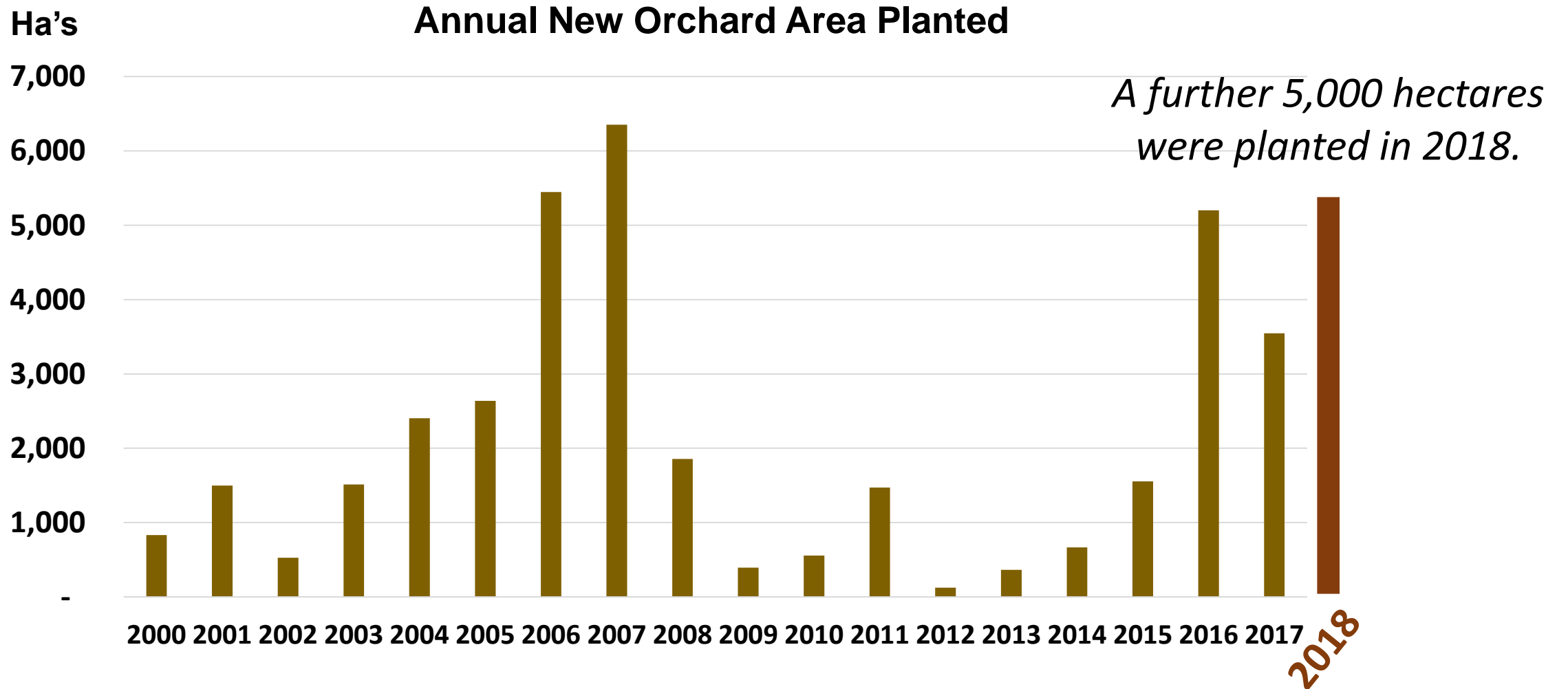


## ORCHARD AREA BY REGION



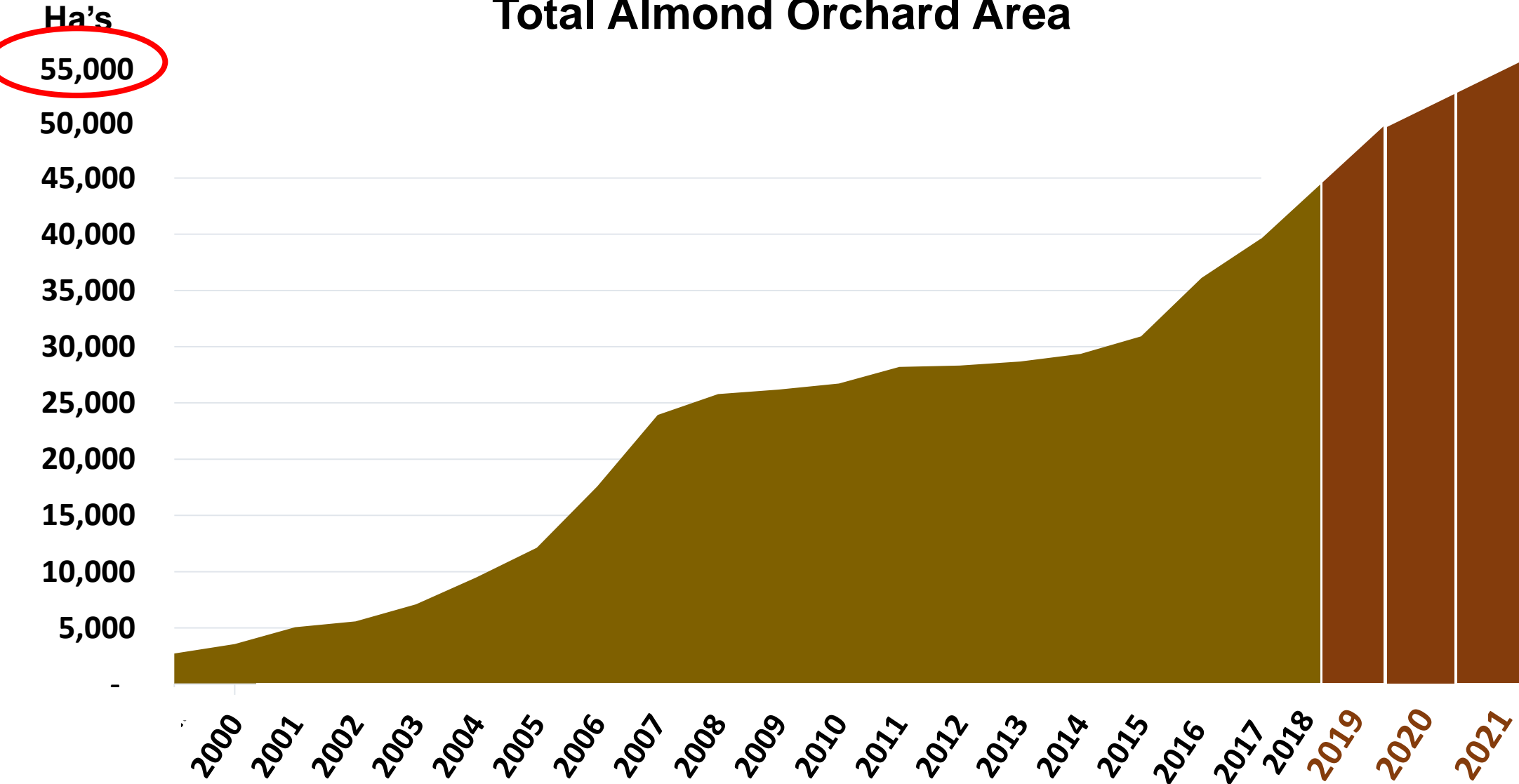


## State of the Industry 2018/19





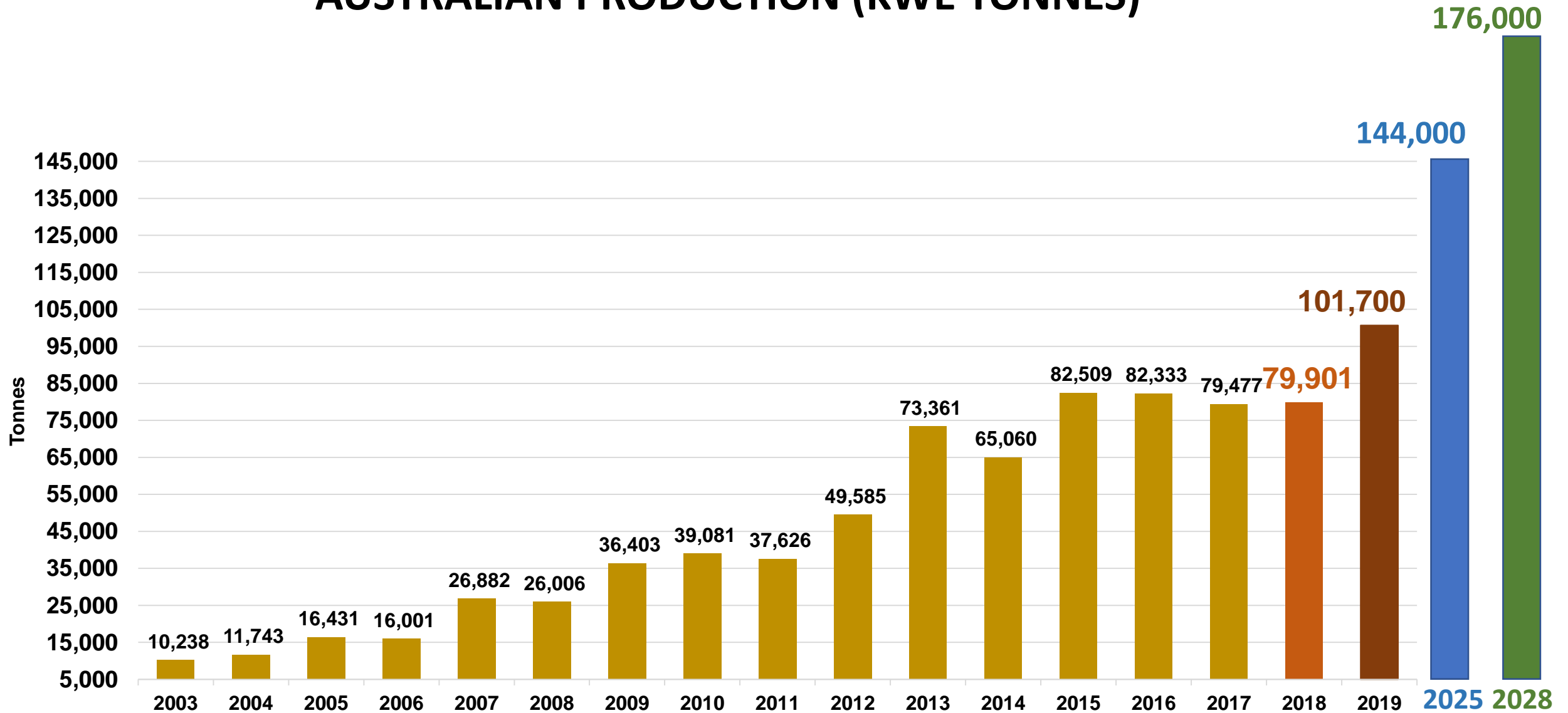
## Total Almond Orchard Area



A further 10,000 ha's of orchard plantings is expected in the next three years.



## AUSTRALIAN PRODUCTION (KWE TONNES)





## Consumer Demand for Almonds is Growing Strongly

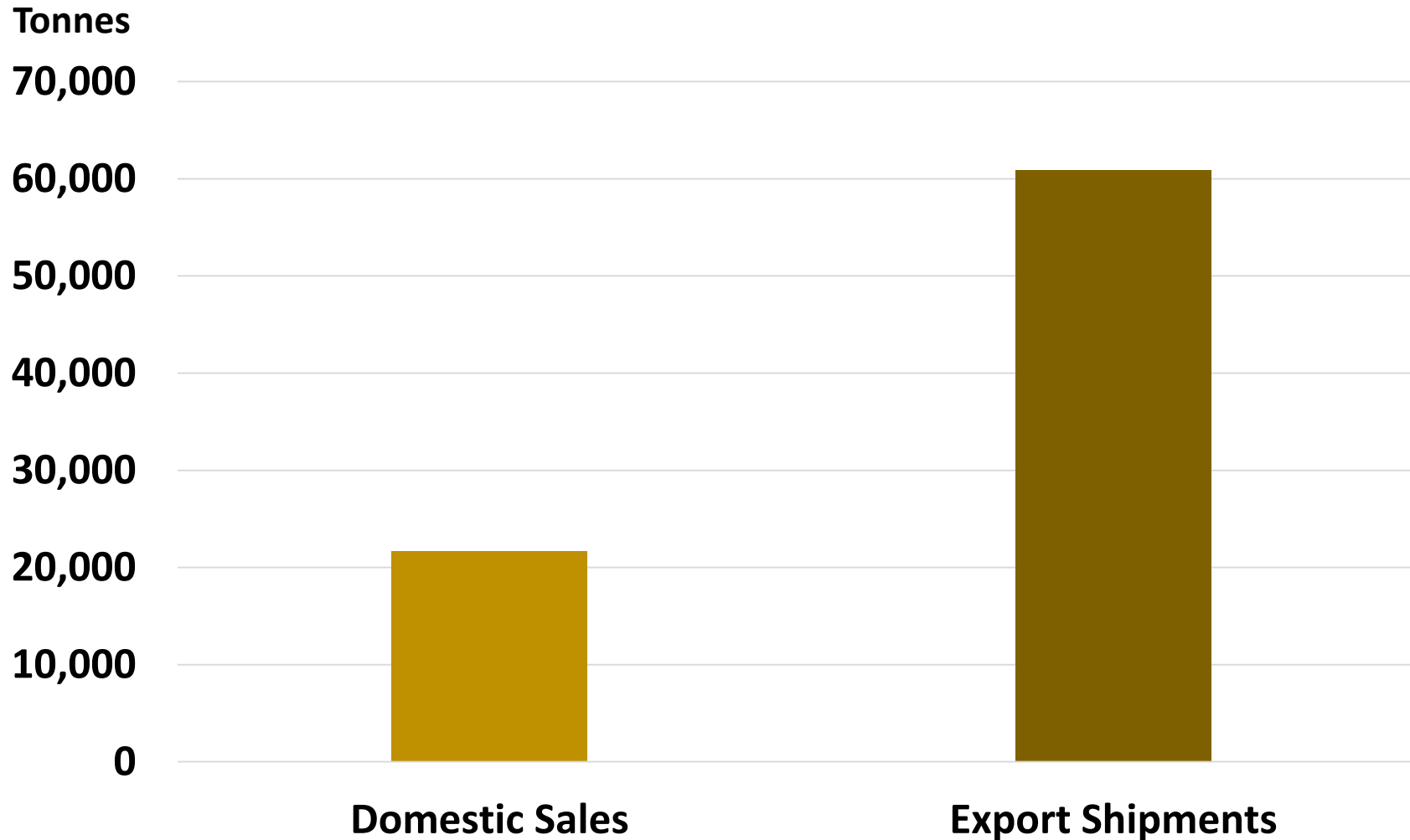
### **Domestic and Global demand is increasing strongly due to:**

- Health benefits for heart health, diabetes and cancer prevention, baby and infant development, mental acuity in young and old, weight management.
- Increasing interest in plant based diets.
- Product versatility in consumption. On average 300 new products go on Australian supermarket shelves each year using almonds as an ingredient.
- Heavy investment in market development by Australian and in particular Californian almond industry (\$100 million per annum).





## Demand for Australian Almonds





## Demand for Australian Almonds

**2018/19 Exports: 60,895 tonnes = \$552 Million +12% Growth**

**Estimate of 2019/20 Exports: 80,000 tonnes = \$750 Million +32% Growth**



## Total Demand for Australian Almonds

2018/19 Domestic and Export Sales: **82,500 tonnes = \$748 Million**

Estimate of 2019/20 Total Sales: **101,700 tonnes = \$922 Million**

Estimate of 2024/25 Total Sales: **144,000 tonnes = \$1.3 Billion\***

Estimate of 2028/29 Total Sales: **176,000 tonnes = \$1.6 Billion\***

\* Estimate is based on 2018/19 average price. The almond sale price has doubled in the decade to 2019.



## Why are Producers Investing in Almonds?

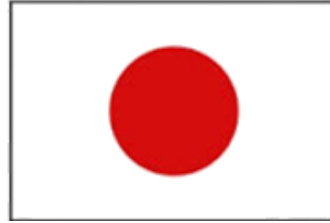
- Competing against USA that is not a low cost producing countries.
- Almonds have fewer pest pressures than fresh fruit e.g. fruit fly.
- Almonds are a hardy crop that holds up well to extreme hot weather.
- Almonds enjoy ease of access to 100 export markets. There are not the quarantine and export protocol issues challenging fresh fruit crops.
- Export inspection charges are much cheaper and process is simpler.
- Almonds are durable product with long shelf life compared with fresh fruit providing less sales urgency.
- Mechanical harvesting of almonds means producers are not as reliant harvest workers. Heavy seasonal labour needs means some industries depending on employing illegal workers.



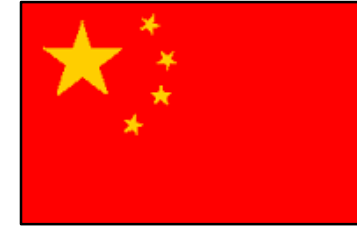
## Almonds have benefited from Free Trade Agreements.



Korea was 8% Tariff  
Now 0%



Japan was 2.4% Tariff  
Now 0%



China was 10% Tariff  
Now 0% but US tariff  
increased to 50%



Indian / Aust FTA has  
stalled but ↑US tariff  
in place.



EU FTA talks  
are underway.



UK FTA talks  
are underway.



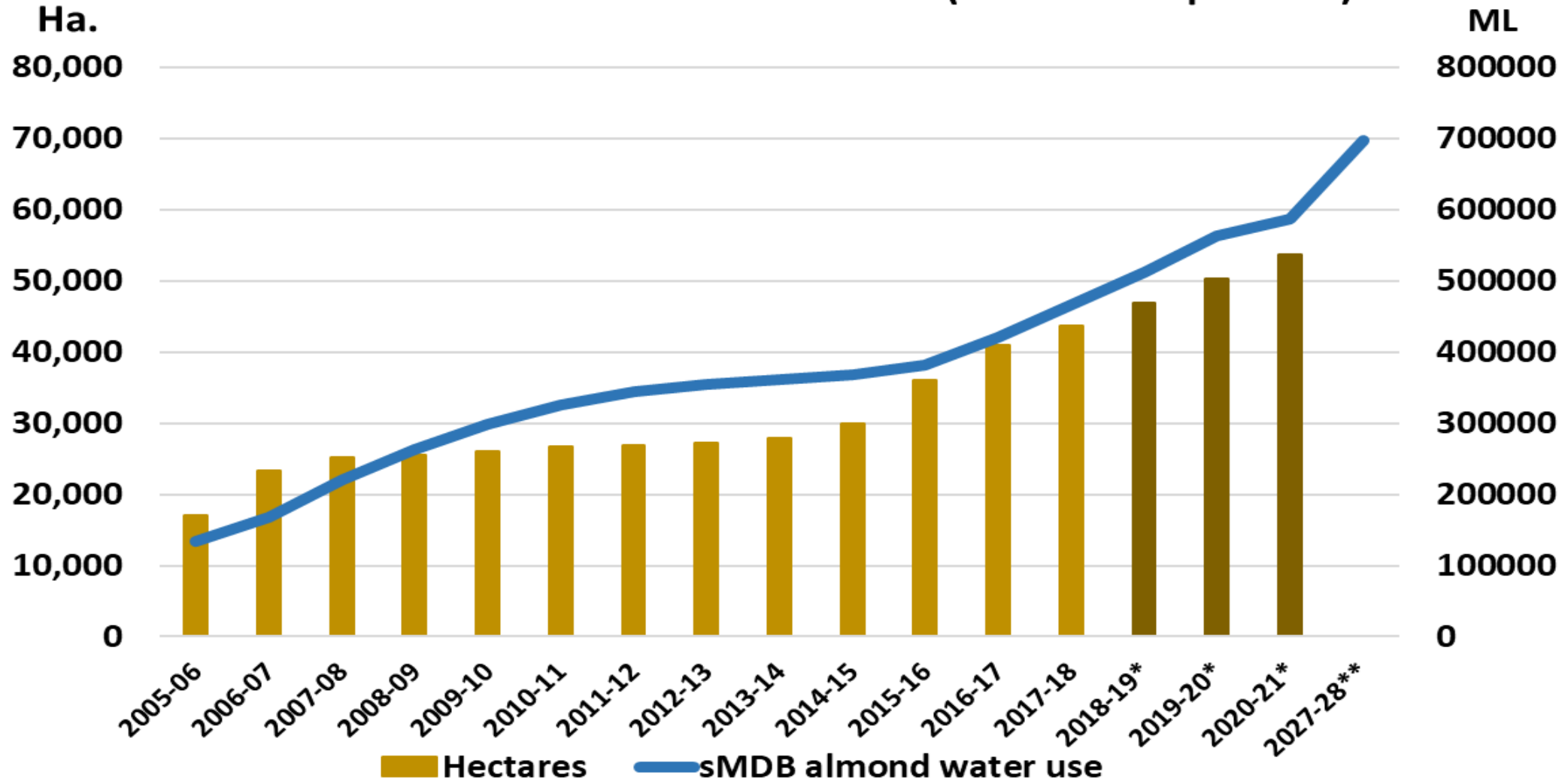
## Almond Industry Water Use

- Almonds use between 12.5 to 14 megalitres of water per hectare.
- Average yields are 3.2 tonnes of kernel per hectare and 6.5 tonnes of hull and shell per hectare mostly sold as cattle food or compost.
- Every megalitre used is producing about \$2,000 in gross revenue.
- These are the measures of water use efficiency we focus on.
- Almonds water use per hectare is not dissimilar to citrus and table grapes that also generate high revenues per hectare.
- To enhance WUE, 99% of orchards use drip irrigation.
- Most orchards have irrigation managers and use sophisticated soil moisture monitoring. The majority of industry has recently moved to also use tree uptake monitoring that promises to reduce water volumes per hectare.
- Ever increasing productivity is also improving WUE.



## Almond Industry Water Use

Annual water use of mature orchards (current and planned)





## Almond Industry Water Policy

ABA has:

- Formed a Water Committee.  
Toby Smith (Chair), Neale Bennett, Darren Minter (Vic), Darryl Winter (NSW), Brendan Sidhu (SA), Matt Wilson & Paul Thompson (Select Harvests), Ross Skinner (ABA).
- Appointed a consultant to assist with strategy and analysis.
- Developed ABA Water Policy and promoted it with Government and Media.
- Support from other irrigation industries has been forthcoming.  
Citrus, Dried Grapes, Table Grapes, Wine Grapes, Olives, Summerfruit, and Other Nuts.
- Informal support from water industry staff, Leeton Council, & Brokers.





## Almond Industry Water Policy

### **Objective of Almond Water Policy:**

To ensure the Murray Darling Basin river system and its environs are healthy and can sustainably support a prosperous, diverse irrigated agricultural sector and its communities.



## Almond Industry Water Policy

### Policy Elements:

1. The ABA is seeking the southern Murray-Darling Basin States place ***moratoriums on new water use licenses, pending a review of delivery constraints.***
2. An ***ACCC inquiry into water market trading rules***, including but not limited to the existence of, or potential for, non-competitive conduct by non-water using investors.
3. A ***unified water register*** and clearance platform combining all the State-based registers to provide transparent and 'real-time' market information.
4. The ***registration and regulation of water brokers*** similar to real estate agents and stock market brokers.