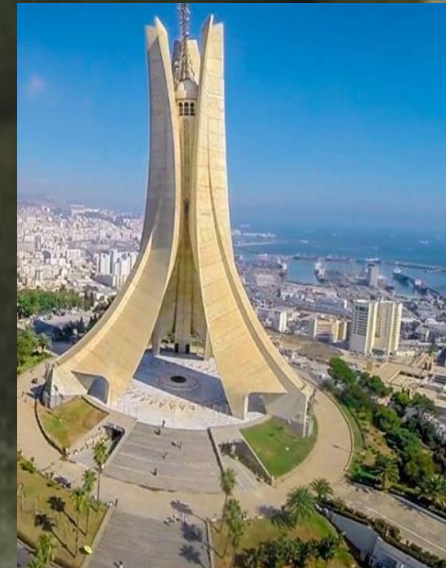
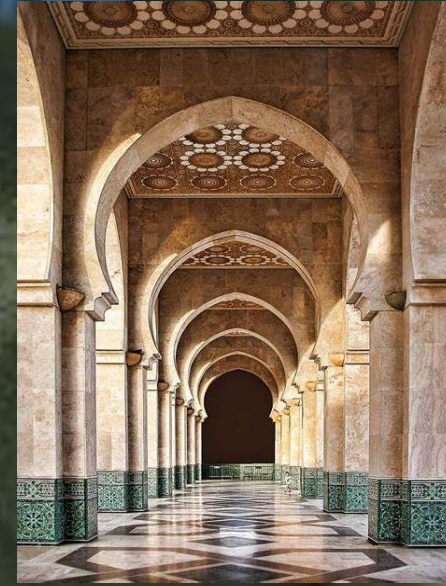




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North Africa: New Market Opportunities



Moderator:

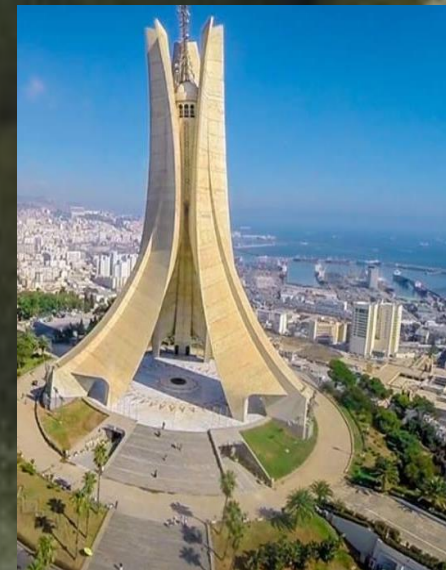
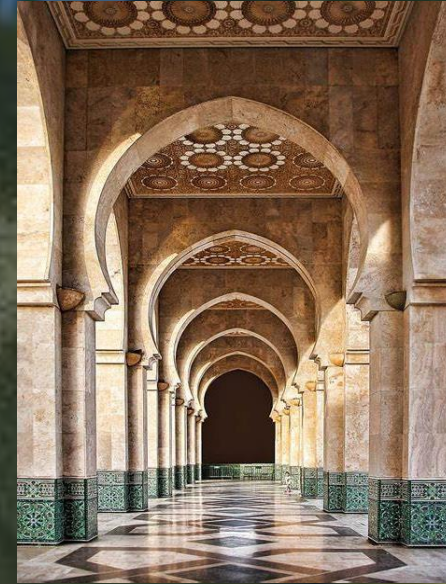
Julie Adams, *Almond Board of California*

Panel Participants:

Brad Rose, *Rose Research*

Sunny Toor, *Valley Pride*

Stuart McAllister, *Terra Nova Trading*





Why North Africa?



Egypt



Algeria



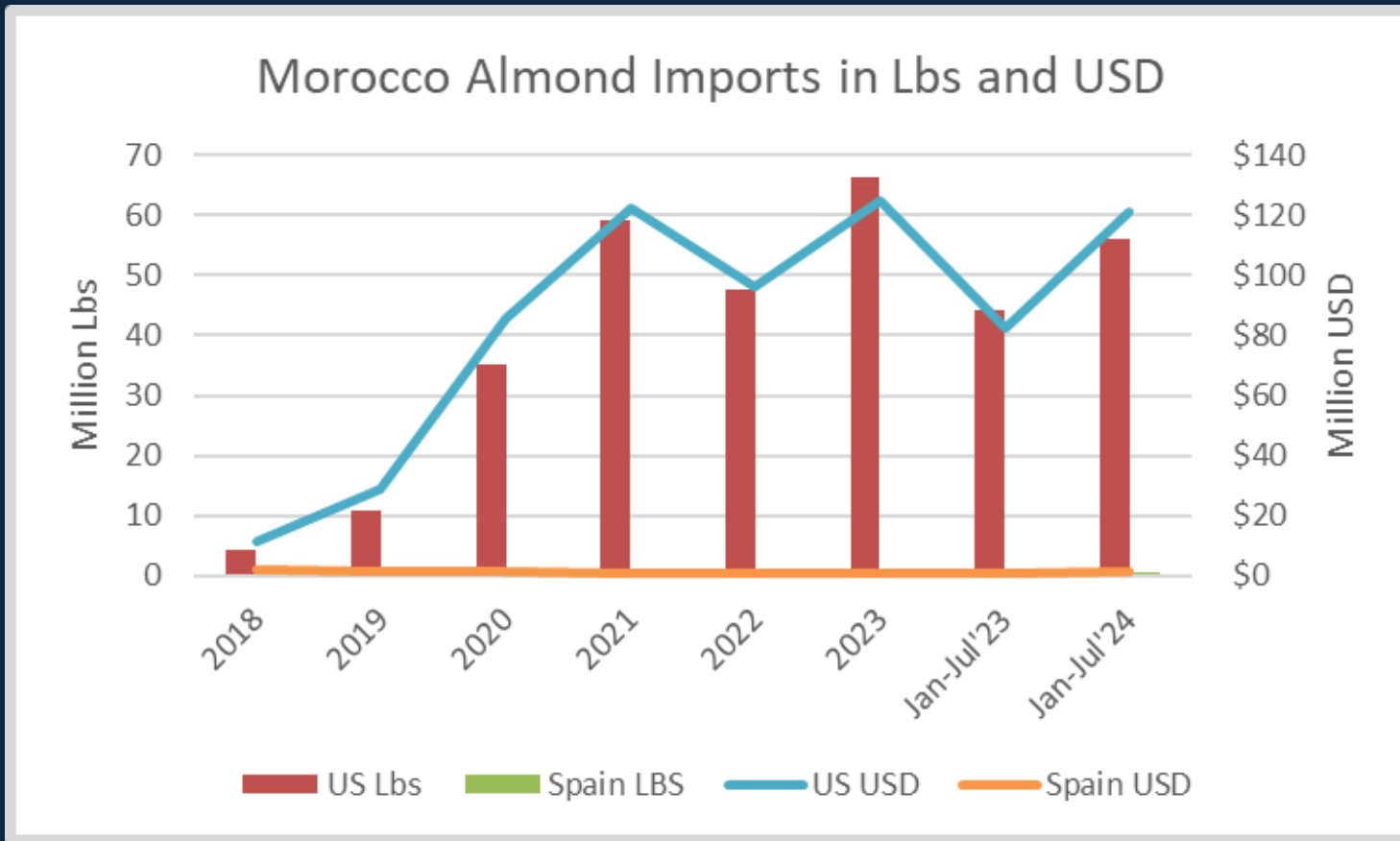
Morocco



Tunisia

- Younger, growing populations compared to traditional, established export markets
- Increasing urbanization
- Consumers becoming health conscious
- Exports and nut consumption increasing
 - Egypt nut consumption increased 53.4% from 2017-2020.
 - Shelled almond exports to Morocco increased more than 40% between 2020 and 2022
 - 40% increase exports to Algeria in that same period

Where do we Start?



With our 10th largest export market....

	India
	USA
	Germany
	China
	Mexico
	Italy
	S. Korea
	Japan
	France
	UK
	Morocco
	Turkey

Where do we Start?

Morocco identified as a priority for further market development

- ✓ Gateway to Africa
- ✓ Infrastructure investment
- ✓ Strong almond culture
- ✓ Almonds are U.S.' #2 ag export



Moderator:

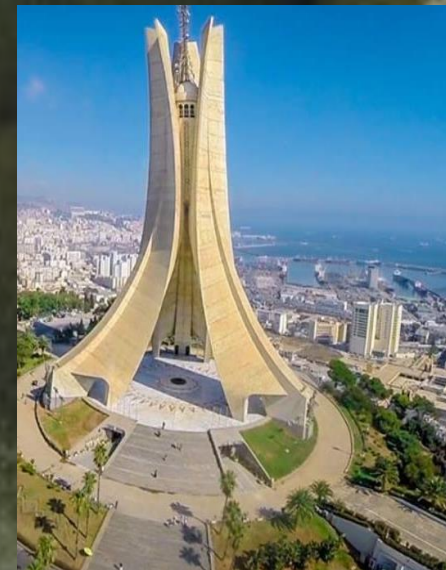
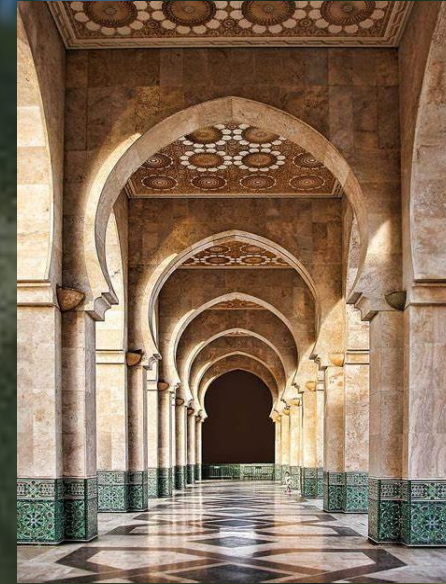
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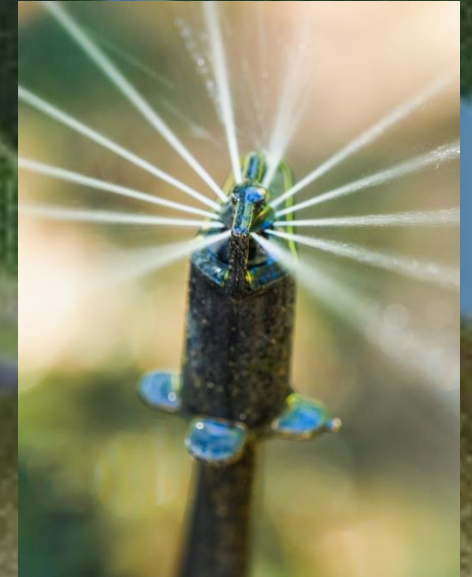


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ALMOND BOARD OF CALIFORNIA – AFRICA
PANEL DISCUSSION

WHY AFRICA?

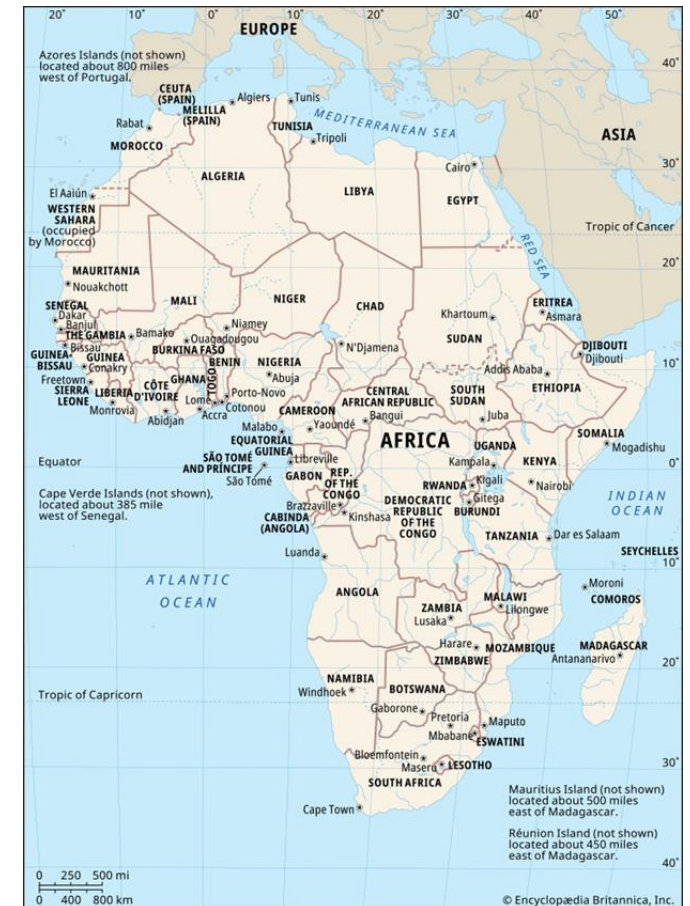


A LITTLE BIT OF BACKGROUND

The total population on the African Continent is projected to grow significantly in the next 25 years, with the United Nations estimating a near doubling (from 1.4 billion in 2023 to 2.5 billion by 2050) – accounting for a significant share of the global population increase during this time period (in contrast, the EU is predicted to be stable or show a slight decline, with China and Japan also decreasing, while the U.S. will see marginal growth).

Key Factors driving Africa's population explosion include:

- High fertility rates
- Young population
- Improved healthcare
- Urbanization



USDA/MAP FOCUS ON AFRICA

Importantly, USDA's Market Access Program (MAP) has been watching these forecasts and encouraging U.S. Agricultural Cooperators to explore opportunities in this underdeveloped region for U.S. exports (China and the EU are already there).

In 2020, USDA commissioned our firm to conduct an in-depth consumer and trade investigation in Africa – to better understand attitudes toward the U.S. and their interest in our products (the findings are being used to help negotiate FTA's).

The findings were eye-opening!

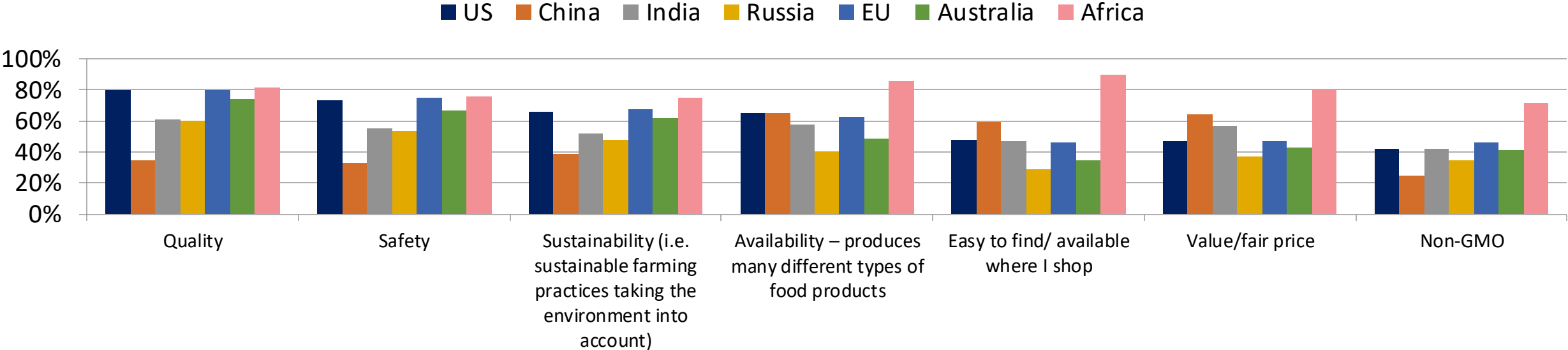
- 75% of the consumers said that they “definitely/probably would buy a product labeled as being from the U.S.”
- 88% would pay a premium for them
- “Food safety” is the number one priority for consumers (and importers) when deciding what to buy



PRIMARY DATA FINDINGS FROM INITIAL RESEARCH IN AFRICA – PERCEPTIONS OF U.S. AGRICULTURE



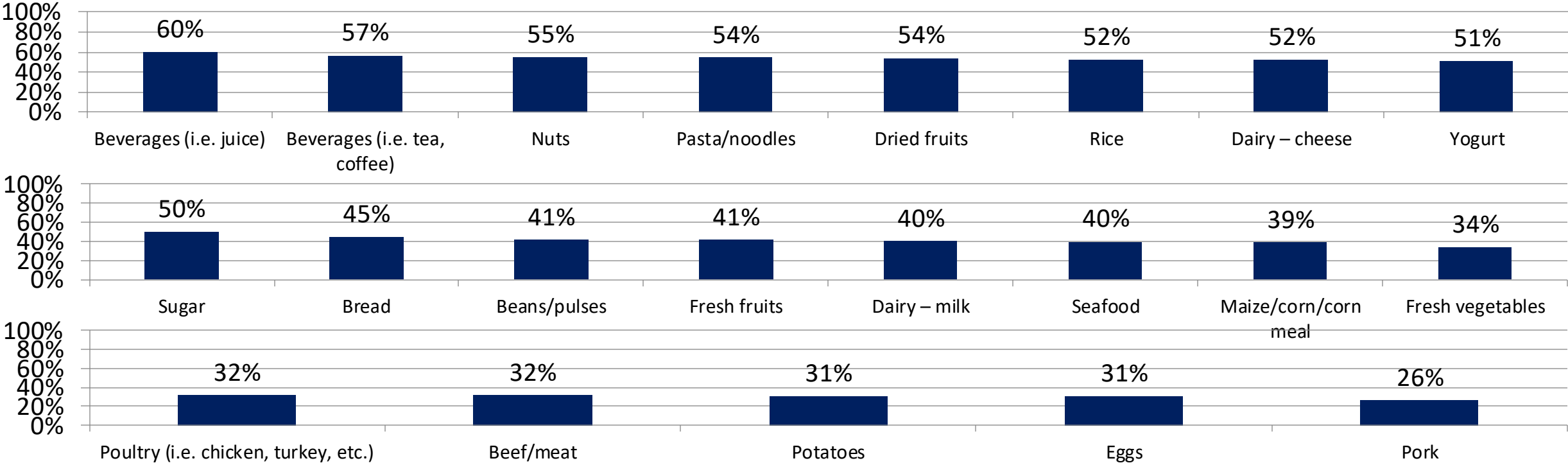
Despite limited availability, the U.S. generates positive ratings on many key attributes – particularly in terms of “product quality and safety” (two key purchase drivers).



PRIMARY DATA FINDINGS FROM INITIAL RESEARCH IN AFRICA – INTEREST IN “PRODUCTS FROM THE U.S.”



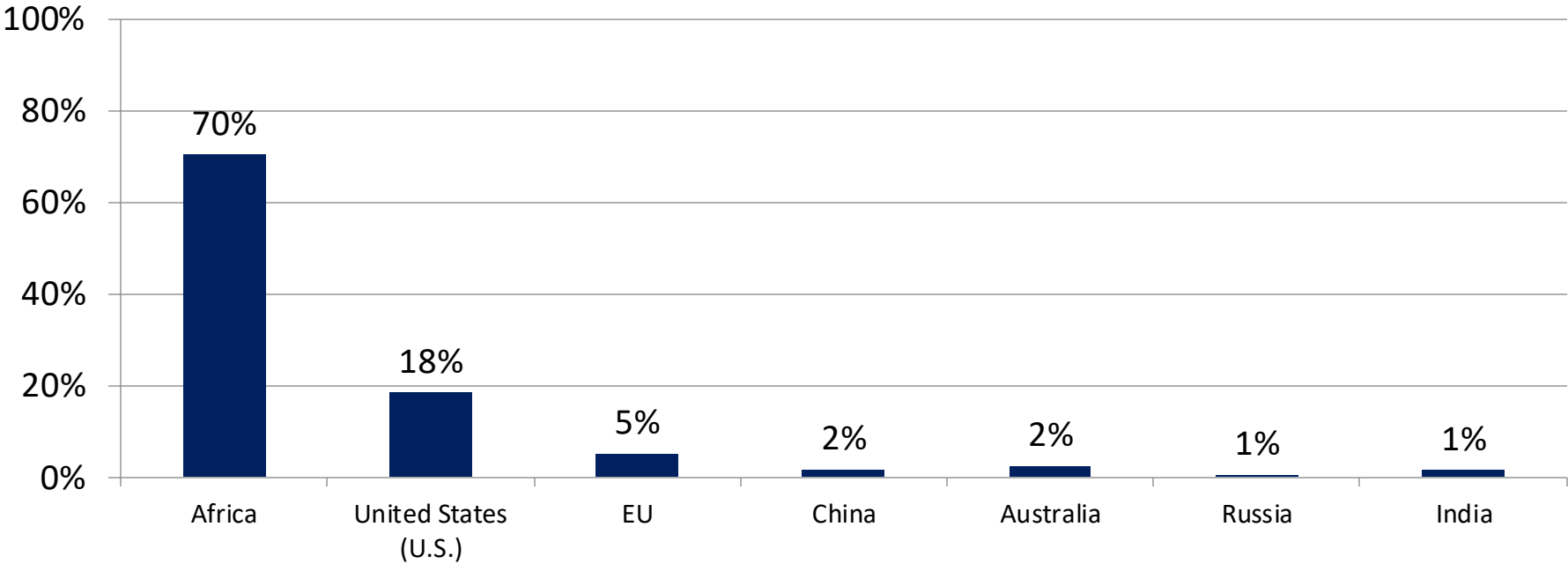
When presented with a list of categories, African consumers (and professionals) were likely to indicate that “nuts from the U.S.” would be a product they’d be interested in buying (over half rated them as one of their top-3 choices overall).



PRIMARY DATA FINDINGS FROM INITIAL RESEARCH IN AFRICA – PREFERENCE OF COO WHEN BUYING PRODUCE



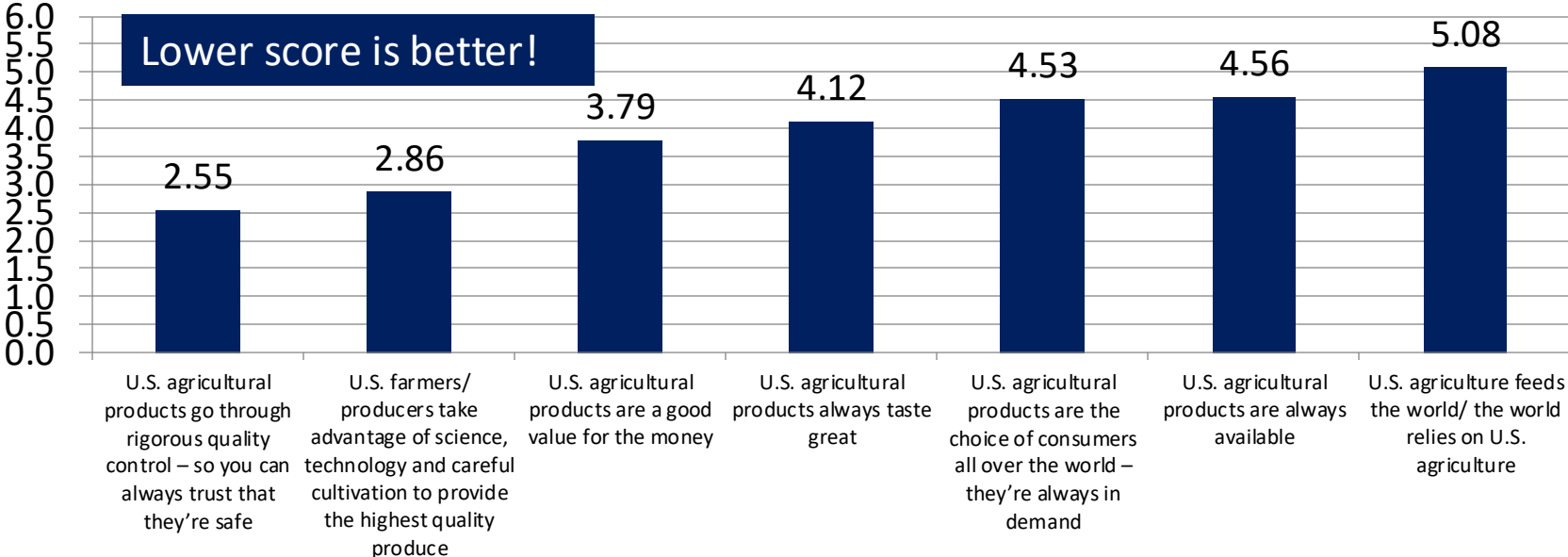
Also encouraging, although there is a preference to buy “locally”, the “U.S.” is well positioned versus other competitive suppliers.



PRIMARY DATA FINDINGS FROM INITIAL RESEARCH IN AFRICA – POTENTIAL STRATEGIC OPPORTUNITIES



Consistent among consumers and the trade, U.S. agricultural cooperators should “lean in” to the “safety” and “quality” messages, as they resonate the most!



PRIMARY DATA FINDINGS FROM INITIAL RESEARCH IN AFRICA – POTENTIAL STRATEGIC OPPORTUNITIES



The Almond Board of California is already promoting these messages!

california almonds

Why Almonds | Almond Industry | Tools & Resources | About Us

FIND A SUPPLIER | US

Search

← Almond Industry

Research & Innovation

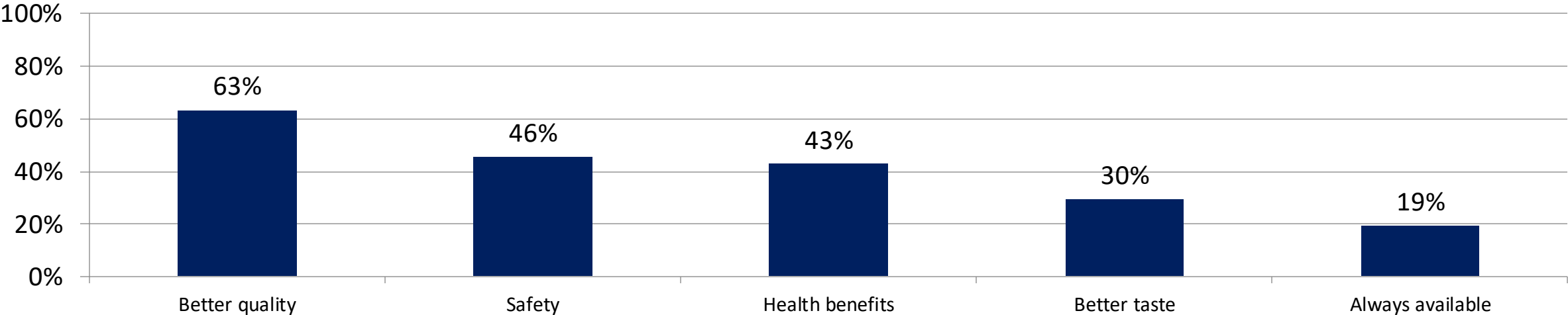
Since 1973, the California almond community, through the Almond Board of California, has supported \$89 million in research to improve farming practices while minimizing environmental impacts, identifying health benefits from almond consumption, ensuring food quality and safety, and identifying new uses of orchard biomass.

[View Our Research Database](#)

PRIMARY DATA FINDINGS FROM INITIAL RESEARCH IN AFRICA – BENEFITS ASSOCIATED WITH U.S. AGRICULTURAL PRODUCTS



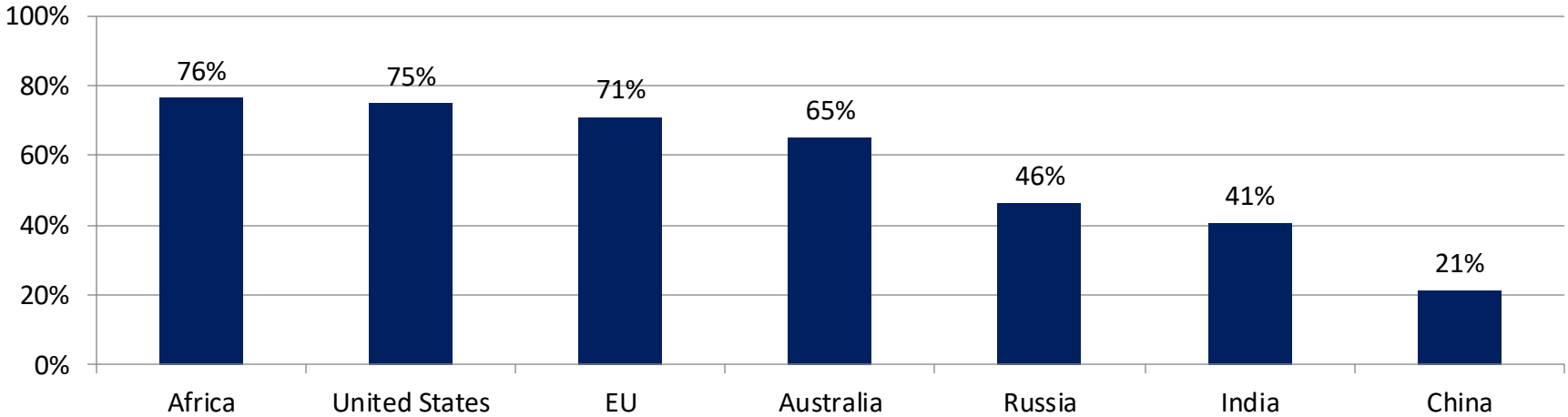
“Better quality” is the primary advantage anticipated from food products originating in the United States – as more than three-fifths of the consumers played this back, followed by at least 4 in 10 who mentioned “safety” and “health benefits”.



PRIMARY DATA FINDINGS FROM INITIAL RESEARCH IN AFRICA – PERCEIVED SAFETY OF FRESH PRODUCE BY COO



Positively, the United States is rated just as high as Africa in terms of the overall safety of their fresh products (i.e. fruits, nuts, vegetables, meat/poultry, seafood, etc.).





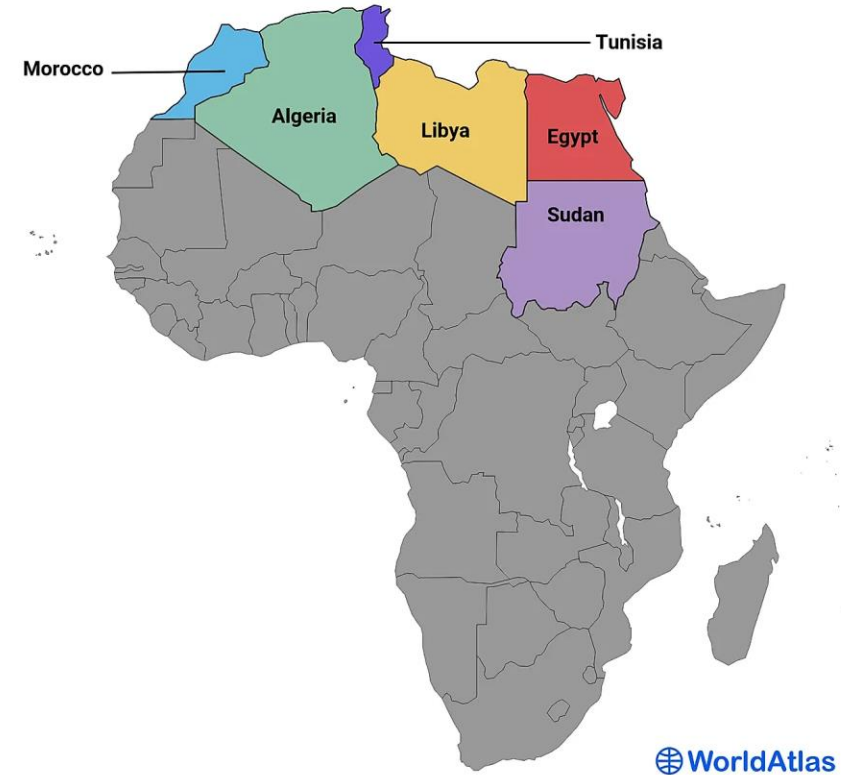
ABC's NORTH AFRICA EMP (EMERGING MARKET PROJECT)

ABC's NORTH AFRICA EMP (EMERGING MARKET PROJECT)

Through a series of trips to North Africa on behalf of other MAP funded cooperators, we heard a lot of interest from the trade regarding nuts, particularly almonds.

Based on some initial conversations with the trade, the Almond Board of California participated in a NASDA Delegation visit to Morocco – which illustrated numerous opportunities for the industry (in retail, food manufacturing/baking and HRI, etc.).

As such, an application for EMP funds was submitted for the following countries: Algeria, Egypt, Morocco and Tunisia.



ALGERIA

- Has one of the region's highest per-capita expenditures on food due to a relatively high disposable income.
- Has a robust confectionery industry with many sweets containing nuts (including almonds).
- A growing foodservice industry (that's dependent on confectionery and snack items).
- The country has well developed distribution channels and infrastructure.
- Tree nuts are currently the 3rd biggest export from the U.S. (by value) behind wheat and soybeans (with almonds accounting for ½ of the U.S. tree nut exports to Algeria).
- In 2023, Algeria imported 12,058 MT of Tree Nuts, valued at \$50.24 million. The category has seen ten-year growth of 33%. Demand remains high, particularly following the removal of additional tariffs (DAP's) in 2019. Despite steadily increasing prices, volumes have gone up. Almonds account for approximately 72% of U.S. tree nut exports and according to FAS, "represents a commercial success for U.S. companies in the Algerian market" amounting to more than \$20 million in exports each year (FAS).



EGYPT

- Considered to be the population epicenter of North Africa, with a population of over 110 million people (making it the 3rd most populous country behind Nigeria and Ethiopia).
- 95% of the country's population is concentrated on just 5% of the total land (urbanization). Much of their food is imported!
- The WHO (World Health Organization) has identified the country as among the top 16 in terms of coronary heart disease and among the highest with regards to trans fat consumption.
- Almonds have long history in Egyptian culture and, along with dried fruits, are particularly popular during Ramadan.
- There is a robust tourism industry in Egypt, with many Western hotel and foodservice chains visible in the country.
- Egypt has a growing bakery and confectionery industry (looking for high quality ingredients).
- Infrastructure and distribution is not a concern.
- Tree nuts are a top ten export for the U.S. with 2,514 MT exported in 2023, valued at \$12.89 million. Yet, this is a ten-year decline of 58% (FAS). Looking specifically at almonds, Egypt imported \$8.5 million from the U.S. in 2023, which was down over 50% year-over-year. Still, the U.S. held on to 45% market share for 2023. Major competitors include Bulgaria and Spain (Trade Data Monitor).



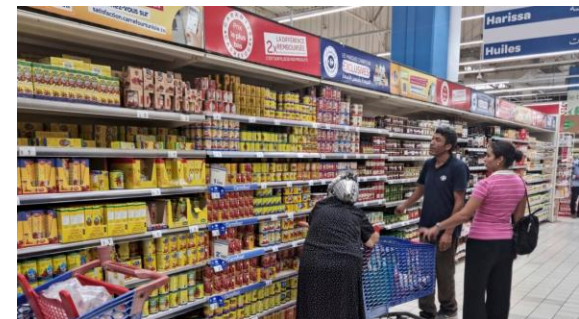
MOROCCO

- Is an appealing market for U.S. exporters as an entry-point to the African Continent – both as a growing domestic market, and as a platform for exporters to access neighboring countries.
- Advantages that Morocco provides to U.S. exporters include: prime location, well developed logistics, an openness to business and investment and a Free Trade Agreement with the U.S. (the only country on the Continent to have one).
- As such, Morocco can be used as a platform for access to other African markets/countries – thanks to Morocco’s ongoing integration into the African Continental Free Trade Area (AfCFTA) – the world’s largest free trade area encompassing 55 countries.
- Morocco has also shown robust economic growth coming out of COVID, while tourism has also bounced back (as has the country’s HRI industry).
- With rising incomes and more two-income households, more Western eating behaviors are developing.
- Almonds are popular as both a garnish and main ingredient in cooking, as well as in desserts and baked goods.
- The Moroccan government has prioritized the development of modern infrastructure, such as roads, ports, airports and rail, with investments amounting to roughly \$4 billion. Tanger-Med, Morocco’s industrial port complex, is the largest port on the African Continent (and one of the largest in the world).
- Morocco ranks 22nd in the world for import of nuts including cashew, hazelnuts, pistachios, walnuts, and almonds. Almonds account for two-thirds of this import value. In terms of total nut imports, the U.S. held 63% market share in 2022, followed by Chile (11%), China (10%), and Vietnam (9%). Smaller quantities of nuts are imported to Morocco from Turkey, Côte d’Ivoire, Argentina, Portugal, and Spain (East Fruit).



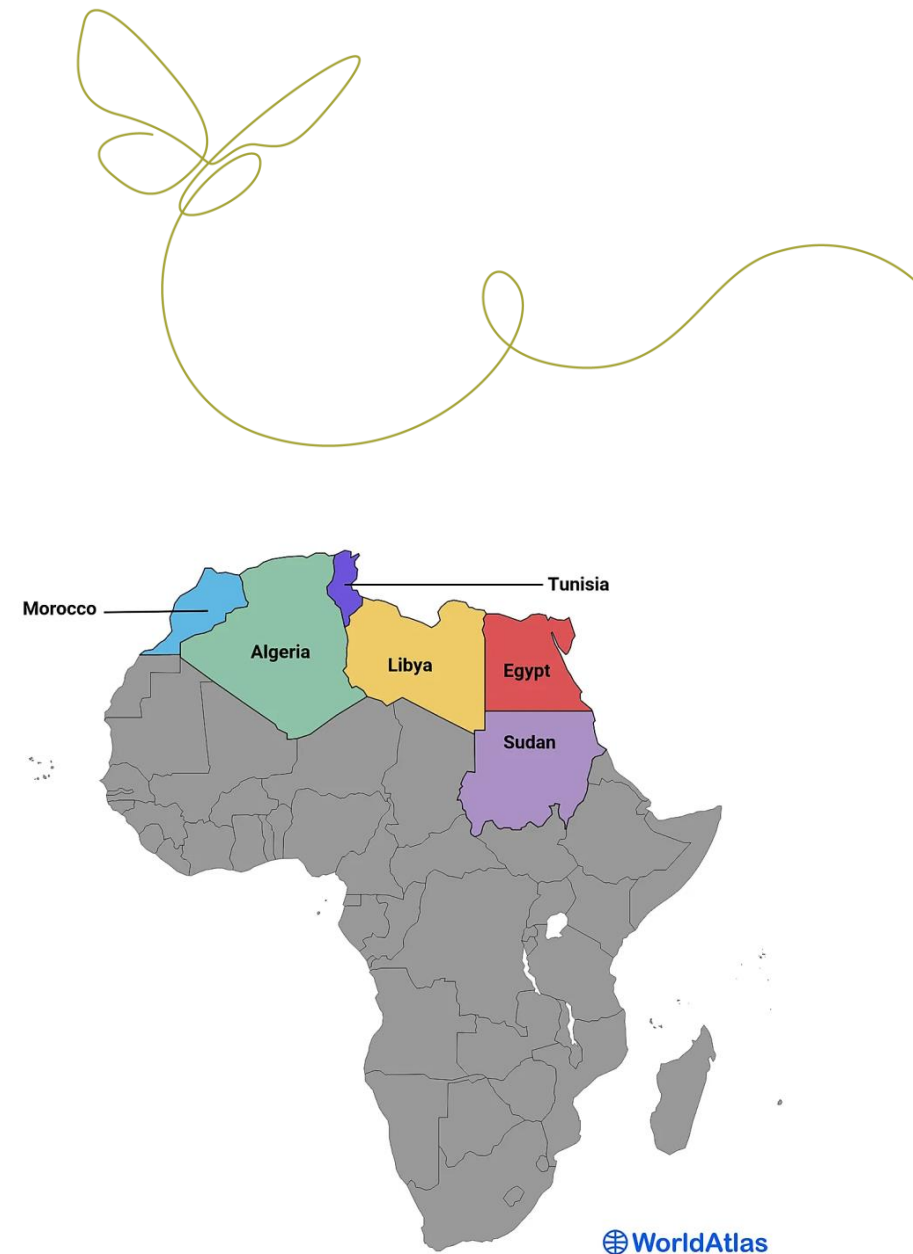
TUNISIA

- A severe drought and tight financing conditions have caused a slowdown in the country's economy – slowing their post COVID recovery.
- Despite gains in tourism and export sectors, the drought resulted in an 11% loss in agricultural revenue.
- Despite current challenges, the World Bank suggests that Tunisia has “significant opportunities to transform and strengthen its economy with strategic investments”.
- On average, consumers spend about one-third of their household expenditures on food (even higher among those living in more urban areas).
- Almonds are a popular ingredient in local confectioneries.
- Modern retail is growing rapidly throughout the country.
- Travel and tourism accounts for roughly 15% of the country's overall economy, with a well developed HRI sector that caters to this sector.
- Food production is growing, as is the sector's demand for high quality ingredients (including almonds).
- Tunisia has a well developed distribution system.
- Tunisia ranks 60th among U.S. agricultural export markets and in 2023 reached a total export value of \$128.56 million, primarily bulk grains and oil seeds (90%). **While the market for U.S. consumer goods in Tunisia is small, tree nuts are a best prospect according to FAS Post.** In 2023, Tunisia imported 200 metric tons (MT) of Tree Nuts from the U.S., valued at \$831,927. Over the ten-year period, Tree Nut imports from the U.S. have declined by 84% (FAS).



NEXT STEPS

- Based on all of the learning that has taken place so far, we have developed in-depth surveys targeting consumers and professionals throughout Northern Africa.
- The surveys are currently being reviewed, translated and programmed.
- Interviewing is expected to start very soon.
- Based on findings from the primary research, as well as all other data available, we will make recommendations on which market(s) to target.
- We anticipate that in-country visits will be made to the market(s) where the most opportunity for California Almonds is expected.
- Findings from the EMP Project will also provide the ABC with strategic/marketing recommendations – enabling them to “hit the ground running” from a promotional/educational standpoint.





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PANEL DISCUSSION



Egypt



Algeria



Morocco



Tunisia



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THANK YOU

ALMOND BOARD OF CALIFORNIA