

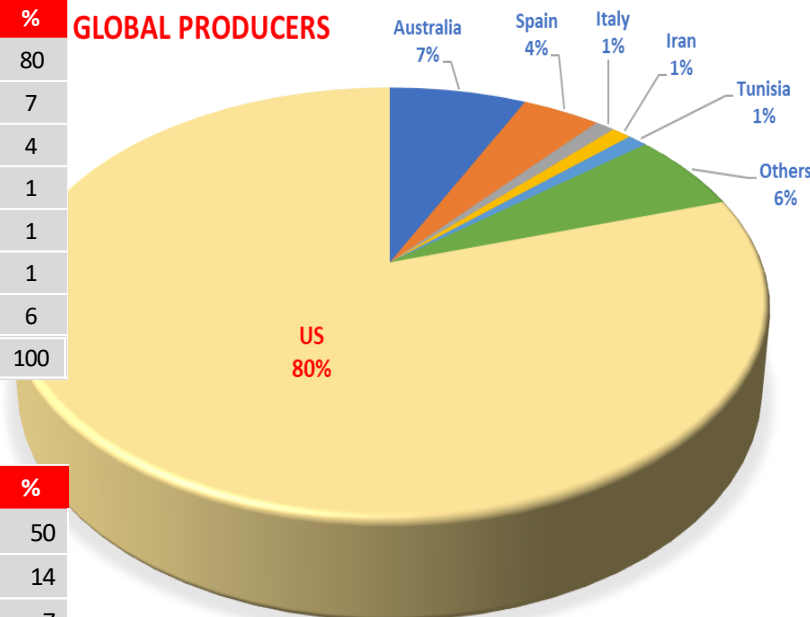
Share of US almonds in the European consumption

data collected as at August 31, 2018

PRODUCTION

Global Production	T	KG	Lbs	%
US	1.025.335	1.025.334.762	2.260.476.211	80
Austr	89.539	89.539.134	197.400.000	7
Spain	51.165	51.165.219	112.800.000	4
Italy	14.000	14.000.000	30.864.717	1
Iran	12.791	12.791.305	28.200.000	1
Tunisia	12.791	12.791.305	28.200.000	1
Others	75.539	75.539.134	166.535.283	6
Total	1.281.161	1.281.160.859	2.824.476.211	100

GLOBAL PRODUCERS



EU Production	T	KG	Lbs	%
Spain	51.165	51.165.219	112.800.000	50
Italy	14.000	14.000.000	30.864.717	14
Portugal	7.000	7.000.000	15.432.358	7
Others EU	30.835	30.834.781	67.979.055	30
Total	103.000	103.000.000	227.076.130	100

CONSUMPTION

EU	Annual consumption
T	385.000
KG	385.000.000
Lbs	848.779.709

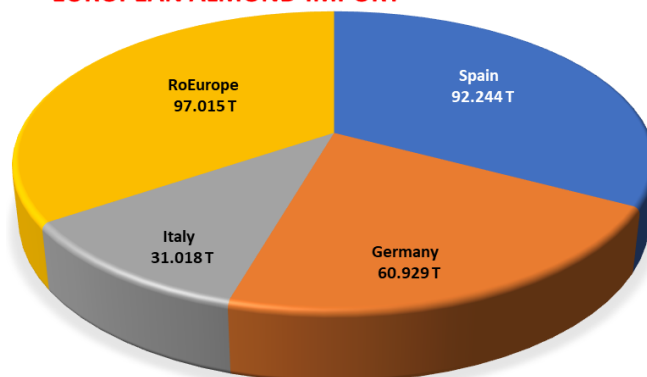
- Europe must import 285,000 tons and no other almond growing region produces over 100,000 tons.
- European market and processors are highly dependent on supply from California to meet the market demand.
- The supply of sweet almonds in Europe does not meet the total consumer demand and no alternative supply is available to meet this demand.
- Almond products are used traditionally in baking category throughout Europe. These traditional bakeries have become dependent on sweet almonds from California.

TRADE

Imports of almonds into the Europe

Trade Vs EU	T	KG	Lbs	%
US Export	688.003	688.002.857	1.516.786.662	67
Spain	92.244	92.243.637	203.362.408	33
Germany	60.929	60.929.017	134.325.489	22
Italy	31.018	31.017.585	68.382.070	11
RoEurope	97.015	97.014.718	213.880.842	34
Tot Import EU	281.206	281.204.957	619.950.809	41

EUROPEAN ALMOND IMPORT



- Europe imports 41% of the total US exports.
- Spain imports 33% of the total European imports

95% of imported almonds include:

- Mainly Californian Carmel and Non Pareil varieties– for repackaging / retail and roasting locally in EU
- Standards for further processing – making marzipan, meal, blanched manufactured in EU
- Blanched Whole & Broken for further processing – making marzipan in EU
- Blanched pieces and grinding pieces for further processing – making meal and almond flour in the EU

5% of imported almonds include: blanched manufactured (i.e. sliced, diced, slivered, etc.)

EU INDUSTRY

- The biggest processors of almonds are located in Spain. Hence the big proportion of imports to this destination. Processing consist mainly of roasting, blanching, slicing and/or chopping.
- Spanish processors are in turn re-exporting those processed US almonds worldwide.
- However, next to Spain, processors of US almonds can be found throughout Europe. In each country there are industries that roast and/or blanch almonds.

DIFFERENCES BETWEEN US ALMONDS AND EU ALMONDS (i.e. quality)

- Specifications for sweet almonds: industry uses almonds for marzipan, ice-cream, chocolate, biscuits etc.
- US almonds are more of a regular shape and are more suitable for industrial production. The US almonds can be sufficiently supplied in regard to quantity and size to guarantee product consistency for the consumer.
- European almonds might be considered as tastier, and US almonds might be considered more visually appealing to the snacking consumer.

As always, please advise your needs so our teams in our 2 production facilities in Bari (South Italy) and Coseano (North Italy) may assist you.

Thank you for your continued trust and business.