



# Australian Almond Industry STRATEGIC PLAN

2007-2012





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## CONTENTS

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Introduction	3
Almond Industry Profile	8
Industry Risk Management Plan	15
Strategic Direction 2007-2012	27

# EXECUTIVE SUMMARY

The Almond Board of Australia (ABA) is the peak industry body for the Australian almond industry, representing the interests of Australian almond growers, processors and marketers.

The development of strategic objectives and action plans for the Australian almond industry has been underpinned by a Risk Management Plan, which identifies and ranks major threats and risks to the industry. This information has been used to review strategic actions, ensuring that identified risks are adequately addressed.

The Strategic Plan for the Australian almond industry for the period 2007-2012 highlights nine key strategy focus areas, each with an associated objective:

- 1. Domestic Market Growth & Product Awareness**  
*"We have achieved 15% annual growth in domestic almond consumption across both existing and new market segments. Almonds are now widely consumed as a daily healthy snack"*
- 2. Export Market Growth & Australian Almond Brand Awareness**  
*"15% annual growth in almond exports has been achieved. New exports markets have been developed while maintaining strong share into existing core markets"*
- 3. Production & Processing**  
*"The industry has experienced continuing strong production growth driven by both yield and acreage increases. Industry wide processing is both efficient and effective"*
- 4. Product Quality Management**  
*"We have further improved almond quality management processes and experienced no food safety issues"*
- 5. Plant Improvement**  
*"We have secured access to quality planting material to meet demand"*
- 6. Research & Development**  
*"We have a well developed industry research & development programme resulting in new commercial practices being widely applied"*
- 7. People & Skills**  
*"The Almond industry attracts and supports a sufficient number of skilled people and ensures they work in a safe environment"*
- 8. Environmental Management**  
*"The industry is achieving environmental sustainability in an effective but cost-efficient manner"*
- 9. Industry Support**  
*"Our key industry body (ABA) effectively supports the interests of the industry and its members"*

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# INTRODUCTION

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# MISSION STATEMENT

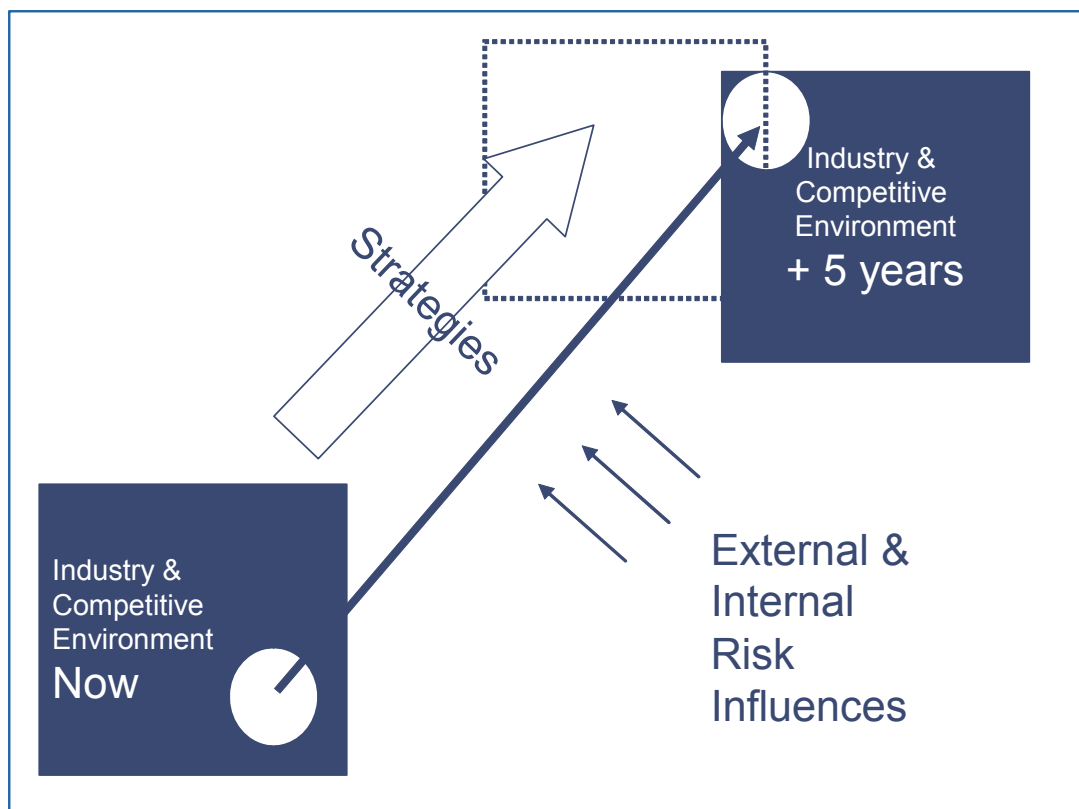
*As the Australian almond industry's  
peak industry body,  
the **Almond Board of Australia (ABA)**  
facilitates further growth of the industry,  
seeks to maximise its profitability  
and ensure its sustainability,  
by providing a platform for industry  
members to collectively  
respond to industry-wide issues,  
invest in research and marketing,  
share knowledge, and interact with  
government and  
other stakeholders.*

# VISION, GOALS AND OBJECTIVES

First step in the development of this strategic plan was to articulate a desired industry vision across a number of parameters. These parameters encompass the desired “growth” of the industry in respect to size (acorage and yield), market development (domestic & export), profile and branding, research and development success, stakeholder benefits, profitability and industry sustainability.

With a clear picture of the desired future state of the almond industry, strategies to achieve that vision could be discussed and agreed. Risks to the execution of those strategies were then identified.

**Figure 1 – Industry Vision & Strategies**



# STRATEGIC VISION

Priority Area	Objective
<b>1. Domestic Marketing &amp; Product Awareness</b>	<ul style="list-style-type: none"> <li>• Establish a profile for almonds in the minds of retailers and end consumers that is:               <ul style="list-style-type: none"> <li>○ Based on both the health and taste attributes of almonds.</li> <li>○ Clearly differentiated from other nut groups and from other health snacks.</li> </ul> </li> <li>• Increase 'general public' awareness of the health benefits of almonds</li> <li>• Further penetrate snacks segment</li> <li>• Further penetrate supermarket's health food section</li> </ul>
<b>2. Export Marketing &amp; Australian Almond Awareness</b>	<ul style="list-style-type: none"> <li>• Perform research to identify attractive export market opportunities</li> <li>• Actively develop a selected number of new export markets by establishing and strengthening contacts with local agents and retailers.</li> <li>• Invest in promotion of 'Australian Almonds' in selected export markets</li> </ul>
<b>3. Production &amp; Processing</b>	<ul style="list-style-type: none"> <li>• Focussed attention on ensuring availability of critical resources for the industry, including water, and pollination.</li> <li>• Continued focus on improving orchard yields and economic performance through research and distribution of knowledge and techniques.</li> <li>• Continue to grow acreage, both through existing and new investors.</li> <li>• Further improve product quality management and disease control.</li> </ul>
<b>4. Product Quality Management</b>	<ul style="list-style-type: none"> <li>• Development and industry-wide implementation of quality management protocols, addressing HACCP, MRL compliance, food safety compliance and other requirements.               <ul style="list-style-type: none"> <li>○ Including protocols for identification and management of contamination incidents across the value chain.</li> </ul> </li> <li>• Industry-wide availability of disinfestation techniques.</li> </ul>
<b>5. Plant Improvement</b>	<ul style="list-style-type: none"> <li>• Focussed attention on ensuring adequate availability of high quality planting materials.</li> <li>• Reduced reliance on honeybees for pollination.</li> </ul>
<b>6. Research &amp; Development</b>	<ul style="list-style-type: none"> <li>• Review and update of current research program and budget to align with new strategic plan.</li> <li>• Professionalise management and oversight of research program and projects.</li> <li>• Actively distribute technology information to industry members via periodic 'information packages'.</li> <li>• Identify and develop opportunities for commercialisation of research outcomes</li> </ul>
<b>7. People &amp; Skills</b>	<ul style="list-style-type: none"> <li>• Ensure availability of skilled and unskilled labour to support future industry growth, via working with educational institutions and promoting working in the almonds industry.</li> <li>• Provide industry support to ensure health &amp; safety of workers</li> </ul>
<b>8. Environmental Management</b>	<ul style="list-style-type: none"> <li>• Support industry members' accreditation under appropriate environmental management systems.</li> <li>• Collect and distribute data on ecological and social impacts of the industry</li> <li>• Proactively participate in national environmental debate</li> </ul>
<b>9. Industry Support</b>	<ul style="list-style-type: none"> <li>• Maintain and further develop industry body               <ul style="list-style-type: none"> <li>○ Further increase grower membership and associate memberships</li> <li>○ Professionalise operations</li> <li>○ Provide guidance and stewardship to the industry</li> <li>○ Active management of industry stakeholder relationships</li> </ul> </li> <li>• Manage and monitor implementation of the strategic plan and management of identified industry risks.</li> </ul>

# KEY FOCUS AREAS

Growth and success of the Australian almond industry is underpinned by a number of competitive advantages that enable the industry to effectively compete at an international level:

## **Productivity Advantages**

Australia currently achieves high levels of productivity. This has been supported by an industry focus on best practice and the development of optimal production techniques. Increased productivity levels have ensured that Australia's cost of production remains competitive. The largely mechanical nature of almond production has helped to reduce the impact labour cost increases on the overall cost of production. This is further enhanced by the fact that Australia's major competitors have a similar cost base. Rising input costs are ever a concern, amplified by the impact of drought and consequent water restrictions and cost increases.

## **Product Quality**

Quality and food safety are key elements underpinning worldwide demand for Australian almonds. This aspect is addressed through on-farm management practices, biosecurity and quarantine, and development and implementation of industry quality standards and testing program. The importance of quality is addressed through the entire supply chain, from nursery to grower through to processor.

## **Demand Growth**

Increasing production of Australian almonds requires active strategies to drive demand for Australian almonds both domestically and overseas.

Direct to consumer marketing is undertaken to increase domestic consumption levels. This is supported through the engagement and reinforcement by key influencers "Almond Ambassadors" and through retail and distribution channels.

Internationally, this demand growth is being addressed through the differentiation of Australian almonds, supported through raising awareness of the industry, the product and related quality aspects, with a focus on communications with export buyers.

This process is supported by increasing breadth and accuracy of information about the Australian almond industry, including plantings, production, sales and consumption.

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# ALMOND INDUSTRY PROFILE

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# AUSTRALIAN ALMOND INDUSTRY



## GROWING REGIONS

Australian almonds are predominantly grown along the Murray River corridor in three states:

- New South Wales (NSW)
- South Australia (SA)
- Victoria (VIC)

Australia has four main almond growing regions:

- Adelaide (SA)
- Riverland (SA)
- Riverina (NSW)
- Sunraysia (VIC)

## INVESTMENT IN ALMONDS

- Almonds have become an attractive crop for Australian investors because the industry has proven to be profitable and stable over the longer term.
- Reasons for this include the ability to develop and manage orchards on a larger scale, together with the development of new growing technologies that have enhanced profitability and maintained international competitiveness.
- Current planted acreage represents investment of \$1.2 billion in plantings and a further \$64 million in processing infrastructure, totalling \$2 billion dollars of investment in the industry.

## INDUSTRY GROWTH

- The Australian almond industry is undergoing rapid expansion, to become the fastest growing horticulture industry in Australia. On a percentage basis, Australia is the fastest growing almond industry in the world.
- Australia currently produces around 4% of world almonds, heavily dominated by California 80%.
- It is forecast that Australia will surpass Spain to become the world's second largest almond producer within the decade.

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### **ALMOND PLANTINGS**

- Total Australian almond acreage has increased seven-fold over the past eight years: 3,650 hectares (9,000 acres) in 1999 to more than 26,000 hectares (64,000 acres) in 2007.
- Less than 15% of all Australian almond plantings have reached full maturity.
- 58% of total Australian almond plantings are non-bearing (less than three years).

### **ALMOND PRODUCTION**

- Australian almond production in 2007 totalled greater than 26,500 tonnes (kernel), more than 65% increase over the previous year's production.
- Future production increases will occur as young plantings reach full maturity, bringing future productive capacity to 77,000 tonnes by 2015, a three-fold increase over current production.

### **VALUE OF ALMONDS**

- The industry has a current farmgate value of \$180 million, with related exports of \$57 million.
- Additional production from newly planted orchards is expected to increase the industry's value to greater than \$500 million by 2015.
- The growing, harvesting, transporting, storage, processing, value adding and marketing of almonds is a major contributor to the economic and social wellbeing of the Sunraysia district in Victoria and the Riverland of South Australia.

### **DEMAND FOR ALMONDS**

- Consumer demand for almonds has increased globally and this trend is expected to continue due to the positive nut health message.
- Taste, versatility and health benefits of almonds have all been major factors behind increasing worldwide consumption.
- Global almond consumption has more than doubled over the past decade from 311,000 tonnes in 1998 to 657,000 tonnes in 2007.
- This demand growth trend is expected to continue, being led by dominant world producer, California where the value of almonds exceeds \$2.3 billion.
- Almonds are California's largest agricultural export and the major US horticultural export, valued at \$1.9 billion

# INDUSTRY VALUE CHAIN

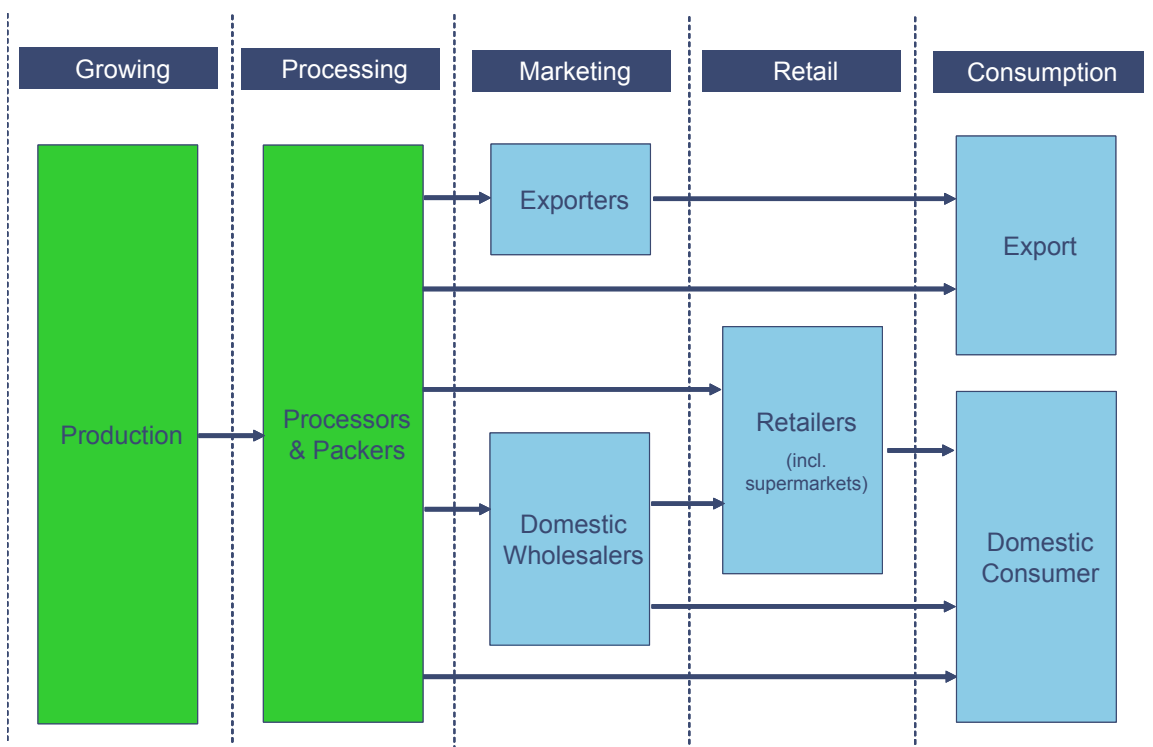
The Australian Almond Industry is comprised of a value chain that spans investors, almond growers through to end retail consumers and export markets. The diagram below depicts the key value chain participants in the flow of almonds from grower to end-consumer.

The ABA primarily represents the interests of the “upstream” components of the industry value chain, i.e. the growers and processors & packers (who typically act as service providers to growers). Most of the larger grower bodies have become vertically integrated to encompass processing, packing, domestic and export marketing of their own almonds.

While the ABA may not formally represent the interests of all industry participants, the long term strategic success and continuing growth of this industry is dependent upon all participants being committed to the agreed strategic direction and being coordinated in addressing critical strategic threats and risks.

In addition to the identified supply chain participants there is a long list of “stakeholders” in the Australian almond industry, whose interests and support need to be considered when formalising and implementing the industry strategic and risk management plans. Some of these stakeholders are “passive”, whereas others should be actively canvassed and may contribute to the final strategy.

**Figure 2 – Industry Value Chain**



# GLOBAL ALMOND ANALYSIS

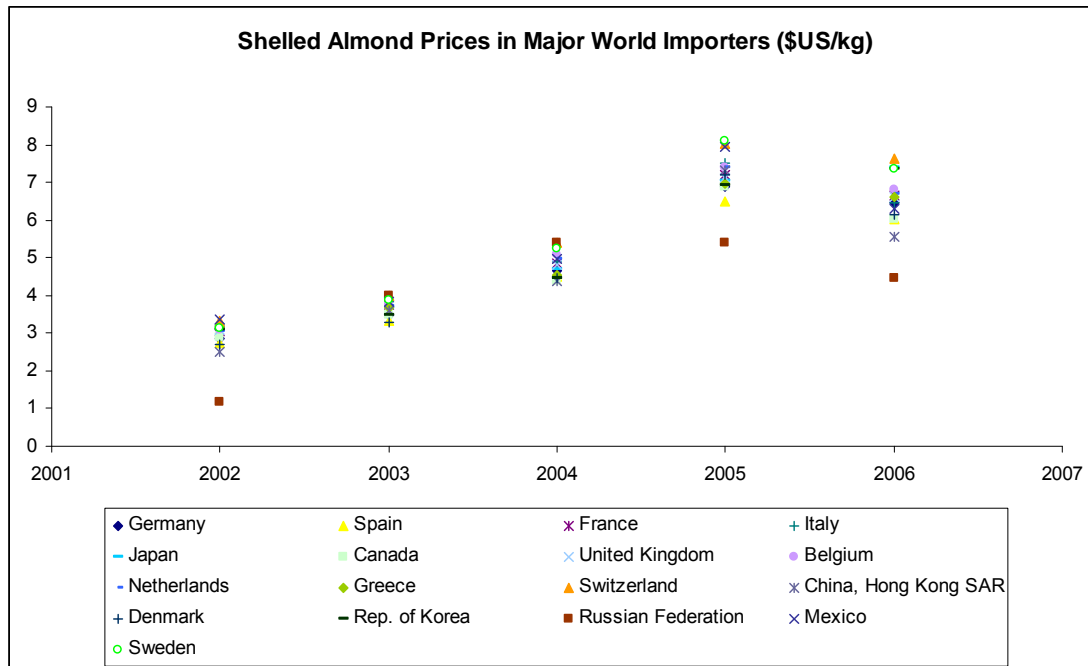
World almond imports have shown strong growth over the last 5 years with volume growth at over 5% per annum, with higher prices leading to a value increase of over 20% per annum. The USA is the single largest consumer of almonds, with almost all almonds supplied from USA production. The largest import markets for almonds are in Europe led by Germany and Spain, with Italy, France, Netherlands and the UK also in the top 15 world markets. Around 90% of almonds are traded shelled, with 10% traded in shell.

Market use of almonds is approximately split across food manufacturing (50%), retail (25%) and other food service (25%). The current Californian marketing strategy is based around the fastest growing categories of confectionery (manufacturing), snacking (retail) and bakery (food service).

## World's Largest Almond Importers

	Country	2006 Imports (tonnes)	5 year annual growth	Population (million)	Per capita consumption (g/person) approx	Notes
1	Germany	71,964	3.0%	82	900	
2	Spain	58,514	5.1%	40	1,500	
3	India	45,460	28.3%	1129	<50	
4	Italy	31,797	12.9%	58	550	
5	France	28,336	-0.8%	64	450	
6	Japan	21,488	-6.4%	127	200	
7	Netherlands	17,010	12.4%	16	1,000	
8	Canada	16,302	6.0%	33	500	
9	UK	12,920	7.9%	60	200	
10	Hong Kong	11,531	-11.4%	7	1,700	* Hong Kong is often an entry point to China
11	Belgium	10,930	0.1%	10	1,000	
12	Greece	9,507	12.6%	10	1,000	
13	Switzerland	7,803	0.5%	8	1,000	
14	Denmark	7,483	1.5%	6	1400	
15	Pakistan	6,923	1.3%	164	40	
25	USA	2,302	51.4%	300	540	Consumption is largely domestic production.
30	Australia	1,878	0.9%	20	1,000	Consumption is largely domestic production.
36	China	1,310	-27.9%	1321	1	

Shelled almond prices have risen in recent years. Almonds are largely traded as a commodity with prices quite consistent between markets. Among the top 15 markets, Switzerland has consistently had amongst the highest per kg price.



## Production

World production and exports are dominated by the USA, with production occurring in California. The USA accounts for approximately 80% of world production and 85% of world exports. Spain and Italy, despite being among the world's largest producers and exporters, remain net importers of almonds. Australia's increase in production is likely to see it become the world's second largest producer in the next 7 years. Currently Australia accounts for around 1.5% of world trade, with the majority of Australian production consumed domestically. While Australian production is expected to see a trebling of production over the next 7 years, this total growth is equivalent to the annual growth in Californian production.

## Selected Major Markets

### India

The fastest growing major international market for almonds is India, with imports doubling in volume in the last 3 years to over 45,000 tonnes, and making it the third largest volume (fourth value) importer in the world. India is Australia's and South Australia's largest market for almonds. India is unusual in world markets in that approximately 80% of imports are in shell almonds. Imports of both shelled and unshelled almonds to India have been growing strongly. Australian almond imports to India attract a 55/100 rupees (\$A1.34/\$A2.44) per kg tariff for in shell/shelled almonds. India does have a small amount of domestic almond production (1,200 tonnes/year). Australia and India are currently undertaking a feasibility study into a Free Trade Agreement.

Despite an increase in imports, with India’s population of 1.1 billion people, the per capita consumption of almonds is low (<50g) compared with the USA (540g), Europe (500g) and Canada (500g). Based on production and trade figures, Australia’s domestic consumption of approximately 20 million kg has yearly per capita consumption at 1kg per person, consistent with the larger European import markets.

## Spain

Spain is amongst the world’s largest importer and exporter of almonds, with 80% of imports sourced from USA and export markets largely in Europe including Germany, France and Italy. Spain has substantial domestic production of almonds with a different varietal mix than the USA. Spain almond exports include domestic production along with re-exports of Californian almonds. Overall Spanish consumption of almonds and almonds converted to other exported products, equal an equivalent level of 1.5 kg per person a year, the highest amongst the world’s major markets. The largest Spanish importers and customers of almonds are packaged snack producers, other food processors (nougat, marzipan, chocolate and icecream) and bakery. Per capita yearly expenditure on fruits and nuts in Spain is amongst the highest in the world (\$US 330/year).

## UK

Market opportunities may exist in markets where per capita consumption is currently low. The UK is in the top 10 largest importers of almonds and has shown strong growth over the last five years, but the yearly per capita consumption remains low (approx 200g per person) in relation to other major markets. 98% of almond imports to the UK are shelled, with 56% of almond imports sourced from the USA, 11% from Spain, with Australia being the third largest supplier at 7% of the market. UK expenditure on fruit and nuts is comparable to other European countries (approx \$US200/year) but has a substantially lower consumption of almonds than the European average (500 g/year). Australian exports of almonds to the UK have grown strongly (35% p.a.) over recent years to total over \$5 m but Australian almonds remain only a small proportion of the total market (\$73 m).

Other major markets experiencing strong growth with moderate per capita consumption include Canada and Italy.

Top 10 Australian Almond Export Destinations 2006/07	Shelled (Kg)	Shelled \$ Value	In-Shell (Kg)	In-Shell \$ Value	Total Value
India	257,570	\$1,936,341	4,654,917	\$26,088,046	\$28,024,387
United Kingdom	735,537	\$5,857,026	21,250	\$65,960	\$5,922,986
New Zealand	397,979	\$3,326,600			\$3,326,600
Spain	370,020	\$2,659,849	88,000	\$565,241	\$3,225,090
Netherlands	247,970	\$1,782,960	80,000	\$579,994	\$2,362,954
Germany	207,899	\$1,595,275	51,120	\$419,793	\$2,015,068
France	290,400	\$2,009,203			\$2,009,203
United Arab Emirates	239,587	\$1,368,123	21,546	\$104,624	\$1,472,747
Japan	172,157	\$1,421,096			\$1,421,096
Hong Kong	172,274	\$947,403	64,813	\$355,478	\$1,302,881
Other	852,494	\$5,731,298	50,621	\$204,785	\$5,936,083
<b>TOTAL</b>	<b>3,943,887</b>	<b>\$28,635,174</b>	<b>5,032,267</b>	<b>\$28,383,921</b>	<b>\$57,019,095</b>

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# INDUSTRY RISK MANAGEMENT PLAN

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# INDUSTRY RISK MANAGEMENT PLAN

## Risk Assessment Approach

Risks are potential future events that typically have a range of potential outcomes. When analysing and assessing a risk it is important to not only focus on the expected outcome of the risk (the most likely scenario) but also to consider what could happen if things unfolded in a less expected and more adverse way (the adverse scenario).

<b>Most Likely Scenario</b>	<i>Expected</i> impact of the risk in the next five years*
<b>Adverse Scenario</b>	<i>Less expected &amp; more adverse (but still realistic)</i> impact of the risk in the next five years*

\* if we continue to do what we do now (i.e. no additional mitigation strategies)

For each risk, the loss associated with the most likely scenario and the adverse scenario was rated using a 3-point scale that is defined as:

<b>High</b>	Catastrophic loss. Achievement of industry vision and strategic objectives almost impossible.	Coordinated and focussed attention required across the industry to mitigate the risk. Industry key priority.
<b>Medium</b>	Considerable loss. Difficult to achieve industry vision and strategic objectives.	Mitigation strategies required.
<b>Low</b>	Minor loss. Achievement of industry vision and strategic objectives not significantly impacted.	Not an industry priority. Go for easy wins.

The assessment of both the most likely and the adverse scenario as 'High', 'Medium' or 'Low' is a function of the (implicit) assessment of the probability/frequency of the risk scenario occurring in the next 5 years and the impact should the risk scenario occur.

*Example:*

<u>Risk:</u>	<b>Most likely scenario:</b>	Limited number of isolated and manageable incidents. Potential regulator reaction is to destroy all plantings to prevent disease affecting other varieties.	<b>Low</b>
<b>5. Pest / disease incursion</b>	<b>Adverse scenario:</b>	A major incursion, for example bacterial spot. This would result in loss of bearing plantings, lower yields and quality.	<b>High</b>

## INDUSTRY RISKS – SUMMARY TABLE

No.	Risk	Most likely scenario	Adverse scenario
6	A sustained shortage (or costs) of pollination arises	High	High
1	The industry is constrained in its access to water to an extent that average industry yields or costs of production are materially impacted	High	High
14	Significant US yield increase	Medium	High
19	Supply of high quality planting material falls short of industry demand	Medium	High
20	Availability of economically priced fertilisers / chemicals	Medium	High
2	World supply of almonds grows significantly faster than demand	Medium	High
4	A major food safety /contamination issue arises with resulting public awareness	Medium	High
15	Increase (change) in value of AUD	Medium	Medium
7	Shortage (or material increase in costs) of suitable skilled labour force	Medium	Medium
5	Pest / disease incursion	Low	High
9	Inability to compete in (export) market as a result of non-compliance with environmental laws & regulations	Low	High
12	Inability to compete in export market due to access barriers (e.g. trade barriers)	Low	High
13	A new low cost entrant (e.g. China) changes global supply dynamics	Low	High
16	Long term climate change trends resulting in unsuitable weather conditions	Low	High
3	Industry funding (loss of levy and grants) to support industry initiatives falls sharply	Low	Medium
11	Industry fragmentation / lack of cohesion	Low	Medium
17	Decline in International cooperation and collaboration	Low	Medium
18	Major interruption or supply problem (somewhere in value chain)	Low	Medium
8	Shortage (costs) of unskilled labour	Low	Low
10	Environmental lobby limits almond industry's 'license to operate'	Low	Low

## RISK MANAGEMENT PLAN FOR THE AUSTRALIAN ALMOND INDUSTRY

	Risk event & Causal Factors	Potential Consequences	Risk Mitigation Actions																		
1	<p><b>The industry is constrained in its access to water to an extent that average industry yields or costs of production are materially impacted.</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>• Changed government imposed regulatory parameters lead to reduced water allocations for the Almond Industry</li> <li>• Risk impacts could arise due to “perception” that almonds are a high water use industry and reactions to this in a restricted water environment</li> </ul>	<p>Growers have to buy water on the market to supplement the (reduced) water allocations (N.B. reduced water application could result in a materially smaller crop for 3 years).</p> <ul style="list-style-type: none"> <li>• Increase in cost of production due to spend on water, partly offset by more efficient industry wide use of water</li> <li>• Sustained lower water usage impacts on average effect on yield (i.e. optimal yields lower due to costs of water)</li> <li>• Increase in costs and/or lower average yield could lead to a decrease in new plantings as investors</li> </ul> <p>Expectation is that the impacts would be significant, but that water will be available for the Almond industry to buy at an economical cost.</p> <table border="1" data-bbox="730 1201 1296 1388"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>▼</td> <td>▼</td> </tr> <tr> <td>Δ Yield</td> <td>▼</td> <td>▼</td> </tr> <tr> <td>Δ Costs</td> <td>▲</td> <td>▲</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>—</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Medium</b></td> <td><b>High</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	▼	▼	Δ Yield	▼	▼	Δ Costs	▲	▲	Δ Selling Price	—	—	<b>Profitability Impact</b>	<b>Medium</b>	<b>High</b>	<p><b>ABA</b></p> <p><b>Secure supply</b></p> <ul style="list-style-type: none"> <li>• To support the strong growth strategy of the industry, a strategy for water should be developed that considers: <ul style="list-style-type: none"> <li>○ the likely change/timing in entitlements (likely to be earlier if Murray Darling Basin powers transferred to the Australian Government);</li> <li>○ how to maximise water availability and minimise cost through water trading;</li> <li>○ the likely movement in the storage and delivery cost of water in each system when moved to full cost recovery.</li> </ul> </li> <li>• Examine the opportunity to secure funds from the Australian Government's Water Smart Australia Programme, administered by the National Water Commission (aims to accelerate the development and uptake of smart technologies and practices in water use across Australia). <ul style="list-style-type: none"> <li>○ There are also some State funding opportunities that could also be examined.</li> </ul> </li> <li>• Influence future water allocations by engaging relevant government stakeholders through HAC and irrigator bodies. Raise the profile of the industry and change the perception that almond industry is a heavy water user.</li> <li>• Raise profile with Murray Darling Basin stakeholders; engage in discussion around the basin; position Almond industry well for lobbying with government.</li> <li>• Perform industry wide survey to identify existing water rights and usage by the industry.</li> <li>• Research possibilities for geographical diversification of production e.g. there may be an opportunity for the almond industry to expand in NSW if current NSW horticulture focus is forced to (e.g. cotton) because of increasing water costs.</li> </ul> <p><b>Reduce usage</b></p> <ul style="list-style-type: none"> <li>• Perform analysis of the impacts of reducing water usage (e.g. on yield, quality) and communicate how this translates through to financial impact.</li> <li>• Understand and research techniques to reduce industry wide water usage (e.g. irrigation techniques).</li> <li>• Train industry how to reduce average water usage</li> <li>• Increased focus on water efficiency.</li> </ul>
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2	<p><b>World supply of almonds grows significantly faster than demand</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>Dumping of oversupply by Californian almond industry (most likely caused by high seasonal increase in yields )</li> <li>Chinese begin exporting</li> <li>Sharp decline in world demand due to some unforeseen adverse publicity</li> </ul>	<p>No sustained oversupply scenario is expected as a likely scenario</p> <p>The potential adverse scenario would be a significant oversupply for a relative short period of time, which could then result in a significant drop in world prices.</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Costs</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>▼</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Low</b></td> <td><b>High</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	—	—	Δ Costs	—	—	Δ Selling Price	—	▼	<b>Profitability Impact</b>	<b>Low</b>	<b>High</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>Monitor world supply situation and outlook (plantings, yields)</li> <li>Regularly share insights into world supply situation and longer term outlook for sustained level of domestic prices with industry to inform investment decisions</li> <li>Advice industry on varieties to grow (for yield and diversification) based on insights into world supply situation and outlook</li> <li>Support the industry in differentiating customer perception of Australian almonds based on high quality product to reduce demand price elasticity</li> <li>Support the industry in managing and maintaining Australian product quality. <ul style="list-style-type: none"> <li>Develop industry wide quality standards</li> <li>Investigate whether standards should be mandatory</li> </ul> </li> <li>Provide support to exporters in accessing and developing export markets [nature of this support has to be defined further].</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>Continue to focus on differentiating quality and market positioning of Australian almonds.</li> </ul>
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3	<p><b>Industry funding (loss of levy and grants) to support industry initiatives falls sharply</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>Lobbying by industry members for reduction of levy based on perception of low value</li> <li>Government ceases levy matching system</li> <li>Almond industry lacks profile with Government</li> </ul>	<p>Expectation is a status quo, i.e. that current funding situation (including levy systems) will remain intact.</p> <p>Adverse scenario would be loss of levy system(s). Loss of the R&amp;D levy matching system would result in 50% reduction in R&amp;D budget.</p> <p>Marketing levy system is more at risk than the R&amp;D levy system, since it is voluntary</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Costs</td> <td>—</td> <td>▲</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>—</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Low</b></td> <td><b>Medium</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	—	—	Δ Costs	—	▲	Δ Selling Price	—	—	<b>Profitability Impact</b>	<b>Low</b>	<b>Medium</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>Contribute to agricultural-wide lobby to maintain levy matching system</li> <li>Deliver a tangible benefit on existing levy investment – and communicate that to members and government <ul style="list-style-type: none"> <li>Identify the right projects (review existing projects)</li> <li>Manage those projects effectively</li> </ul> </li> <li>Work with research providers (CSIRO etc.) to optimise returns on investments</li> </ul> <p>• There may be opportunity to <u>increase</u> levy once it becomes clear / can be evidenced that members would benefit from that.</p> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>N/A</li> </ul>
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4	<p><b>Food safety/contamination issue arises with then a resulting adverse public reaction</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>• Micro-contamination</li> <li>• Chemical contamination</li> <li>• Inadequate investment in capital equipment</li> </ul>	<p>Risk is rated a low probability to occur in next 5 years.</p> <p>If risk would occur (e.g. salmonella incident, an adverse scenario), consequences could be death of consumer(s), full product recall, negative publicity and regulatory reaction.</p> <p>Negative publicity would be expected to last for a week, with short term (6-12 months) downturn in demand (say 10%).</p> <p>Regulatory reaction could result in a major reduction in the ability to sell fresh nut products and could force mandatory sterilisation (for non-chemical contamination). This would lead to capital costs to procure sterilisation /pasteurisation equipment. The current 12 month lead time to obtain these machines could result in business disruption</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Costs</td> <td>—</td> <td>▲</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>▼</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Low</b></td> <td><b>High</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	—	—	Δ Costs	—	▲	Δ Selling Price	—	▼	<b>Profitability Impact</b>	<b>Low</b>	<b>High</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>• Ensure quality procedures are in place across the industry</li> <li>• Develop and communicate quality guidelines for use across the entire food chain</li> <li>• Educate growers in quality standards and processing requirements</li> <li>• Consider implementation of a testing regime across the industry (and implement testing regime if deemed value adding). <ul style="list-style-type: none"> <li>◦ Consider whether testing can be performed by the processors, with their testing audited by an external party.</li> </ul> </li> <li>• Develop an industry database for results of testing of chemical residues (in progress).</li> <li>• Develop a crisis management plan (focus on communications).</li> <li>• Appoint and train media spokesperson for the industry</li> <li>• Develop cross industry programme for shared use of pasteurisation equipment to optimise costs and consider benefits of mandatory requirements for pasteurisation</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>• Continue focus on quality control</li> </ul>
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5	<p><b>Pest / disease incursion</b></p>	<p>Expected to be limited number of isolated and manageable incidents.</p> <p>A major incursion (of for example bacterial spot) would lead to loss of bearing plantings and/or low yields.</p> <p>In addition the quality of almond can be affected.</p> <p>Potential regulator reaction is to destroy all plantings to prevent disease affecting other varieties.</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>▼</td> <td>▼</td> </tr> <tr> <td>Δ Yield</td> <td>▼</td> <td>▼</td> </tr> <tr> <td>Δ Costs</td> <td>▲</td> <td>▲</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>—</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Low</b></td> <td><b>High</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	▼	▼	Δ Yield	▼	▼	Δ Costs	▲	▲	Δ Selling Price	—	—	<b>Profitability Impact</b>	<b>Low</b>	<b>High</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>• Biosecurity Australia plan</li> <li>• ABA (with help of consultants) to develop guidelines (e.g. spraying), perform industry gap-analysis and advice industry on how to improve protection levels.</li> <li>• Research distortions</li> <li>• Investigate whether industry should register for general use of chemicals (currently only minor use permit available) and if so, facilitate application process (e.g. trials).</li> <li>• Biosecurity plan can be mandated</li> <li>• Increase tree variety (6 varieties in 5 years time) <ul style="list-style-type: none"> <li>◦ Fast track Californian varieties (instead of new varieties). Testing under Australian conditions –including disease resistance, trial plantings.</li> </ul> </li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>• Continue focus on quality control</li> </ul>
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6	<p><b>A sustained shortage (or costs) of pollination arises</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>Insufficient growth in honeybee industry to match growth in almond pollination requirement</li> <li>Ageing of apiarists leads to lack of sustainability on bee industry growth</li> <li>Vulnerability of honeybee industry to threats (e.g. diseases)</li> </ul>	<p>If no further action is taken, significant shortages are expected in the next 5 years. 250.000 hives are needed in 5 years, there are approx 150.000 hives currently.</p> <p>Shortage of bees will have a linear impact on the almond industry. i.e. a 50% shortage will result in 50% decrease in bearing plantings.</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>▼</td> <td>▼</td> </tr> <tr> <td>Δ Costs</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>—</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>High</b></td> <td><b>High</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	▼	▼	Δ Costs	—	—	Δ Selling Price	—	—	<b>Profitability Impact</b>	<b>High</b>	<b>High</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>Perform research to better understand future needs and shortages.</li> <li>Obtain a better understanding of the dynamics and cost and revenue structure of the honeybee business. <ul style="list-style-type: none"> <li>Should the almond industry increase its support to the honeybee industry (e.g. pay more for the services)?</li> <li>Should the almond industry start its own hives?</li> </ul> </li> <li>Invest in R&amp;D programs focussed on creating self-pollination varieties (has been done on other fruit crops).</li> <li>Investigate possibilities to collaborate with other industries in addressing the issue.</li> <li>ABA to intensify communication around the honeybee issue to achieve a greater sense of urgency in the almond industry.</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>N/A</li> </ul>
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7	<p><b>Shortage (or material increase in costs) of suitable skilled labour force</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>Skilled people absorbed by other industries (e.g. wine industry)</li> <li>Not enough students choose for a career in horticulture</li> </ul>	<p>There is shortage of skilled agricultural staff in general and this will continue to be the case in the foreseeable future</p> <p>Labour costs are expected to increase to some extent to obtain and retain skilled people.</p> <p>Adverse scenario would be a significant increase in labour costs.</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Costs</td> <td>▲</td> <td>▲</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>—</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Medium</b></td> <td><b>Medium</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	—	—	Δ Costs	▲	▲	Δ Selling Price	—	—	<b>Profitability Impact</b>	<b>Medium</b>	<b>Medium</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>Liaise with Education sector to facilitate skilled labour education programs i.e. support and demonstrate value in almond horticulture diploma /degree</li> <li>Communication / promoting working in the Almond / horticulture industry</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>Own recruitment and retention programmes</li> </ul>
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8	<p><b>Shortage (costs) of unskilled labour</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>• People absorbed into other industries</li> <li>• Ageing population</li> </ul>	<p>No shortages expected for the almond industry in the next 5 years. Maybe some increase in labour costs.</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Costs</td> <td>—</td> <td>▲</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>—</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Low</b></td> <td><b>Low</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	—	—	Δ Costs	—	▲	Δ Selling Price	—	—	<b>Profitability Impact</b>	<b>Low</b>	<b>Low</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>• Study to understand current and future labour requirements of the industry</li> <li>• Inform government about the industry's labour requirements</li> <li>• Further improve the image of the industry as a career option</li> <li>• Investigate possibility and benefits of sourcing labour from overseas and offer a programme whereby they qualify for a visa if they get appropriate skills</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>• Own recruitment and retention programmes</li> </ul>
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9	<p><b>Inability to compete in (export) market as a result of non-compliance with environmental laws &amp; regulations</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>• Change in regulation in export market</li> <li>• Non-compliance of Australian almond industry with its own environmental management procedures.</li> </ul>	<p>There is currently no country the industry faces issues with. This risk is not expected to occur if the industry continues current effort and investment in environmental management.</p> <p>Not having access to a key export market would be an adverse scenario. Impact could be substantial depending on the market concerned and threatens the industry's ability to sell future volumes.</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Costs</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>▼</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Low</b></td> <td><b>High</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	—	—	Δ Costs	—	—	Δ Selling Price	—	▼	<b>Profitability Impact</b>	<b>Low</b>	<b>High</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>• Current study to identify and assess country requirements (including environmental).</li> <li>• Monitoring and updating register of country access requirements.</li> <li>• Keep industry participants informed of requirements and support initiatives for sharing knowledge and techniques.</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>• Commit to environmentally sustainable production, in line with ABA guidelines.</li> </ul>
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10	<p><b>Environmental lobby limits almond industry's 'license to operate'</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>• (Misconceptions around) almond industry's environmental footprint (pesticides, water)</li> <li>• Incidents that get media attention (e.g. birds shooting)</li> </ul>	<p>No significant actions expected from environmental lobby groups. To the extent misconceptions exist around almond industry, there will be other industries that also attract their attention.</p> <p>Public perceptions of almond industry are already slowly improving and this is expected to continue.</p> <p>Adverse scenario would be actions by lobby groups that attract media coverage. This may have some effect on domestic demand and therefore on price. However, the effects will still be limited and short term.</p>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>• Maintain a sustainability statement on website with clear comparability of the Australian industry versus other agribusiness sectors.</li> <li>• Develop plan to react to public outcry</li> <li>• Coordinate research into bird control</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>• Live up to social and environmental responsibilities and be aware of public sensitivity of these issues.</li> </ul>																		

Risk Event & Causal Factors		Potential Consequences			Risk Mitigation Actions
10	Cont....	<b>Impact on 2012 targets</b>	<b>Most likely</b>	<b>Adverse</b>	
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		Δ Yield	—	—	
		Δ Costs	—	—	
		Δ Selling Price	—	▼	
		<b>Profitability Impact</b>	<b>Low</b>	<b>Low</b>	
11	<b>Industry fragmentation / lack of cohesion</b>  <i>Potential causes:</i> <ul style="list-style-type: none"> <li>Lower prices</li> <li>Entrants in processing market</li> <li>Small growers vs. bigger players (now 'servicing each other' through ABA but maybe not in future)</li> <li>New entrants with different management style / ethos</li> </ul>	Some fragmentation may occur, impacting on the ABA's ability to coordinate cross industry programs (e.g. QA) and to represent the industry as a whole.  Adverse scenario would be a complete change in the industry organisation due to entrance of a number of big players whose interests may not be aligned with the small growers.			<b>ABA</b> <ul style="list-style-type: none"> <li>Change constitution to provide balance of power to smaller growers, but ensure programs equitably address needs of the whole industry                             <ul style="list-style-type: none"> <li>Investigate benefits of changing representation of marketers/growers to 3/6 (now 3/5).</li> </ul> </li> <li>Actively engage new entrants</li> <li>Better engage NSW part of the industry</li> <li>Communication strategy to foster industry community (e.g. industry performance)</li> </ul> <b>Industry participants</b> <ul style="list-style-type: none"> <li>N/A</li> </ul>
		<b>Impact on 2012 targets</b>	<b>Most likely</b>	<b>Adverse</b>	
		Δ Plantings	—	?	
		Δ Yield	—	?	
		Δ Costs	—	?	
		Δ Selling Price	—	▼	
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		12	<b>Inability to compete in export market due to access barriers (e.g. trade barriers)</b>  <i>Potential causes:</i> <ul style="list-style-type: none"> <li>US has favourable trade arrangements in export market</li> <li>Australian government trades almonds off for other products in negotiations with other countries.</li> </ul>	No significant new barriers expected. However if US would get favourable terms in emerging markets such as China or India, that would threaten Australia's ability to sell its future volumes and will result in lower prices.	
<b>Impact on 2012 targets</b>	<b>Most likely</b>			<b>Adverse</b>	
Δ Plantings	—			—	
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13	<p><b>A new low cost entrant (e.g. China) changes global supply dynamics</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>Economic developments in countries with potential for large scale almond industry (e.g. China)</li> </ul>	<p>Unlikely to happen in next five years.</p> <p>If for example China would enter the market (adverse scenario) that could have significant impacts on the profitability of the Australian industry. This is however perceived to be highly unlikely.</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Costs</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>▼</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Low</b></td> <td><b>High</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	—	—	Δ Costs	—	—	Δ Selling Price	—	▼	<b>Profitability Impact</b>	<b>Low</b>	<b>High</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>N/A</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>Continue to focus on efficiency.</li> </ul>
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14	<p><b>Significant US yield increase</b></p>	<p>Expectation is that US will be able to close the current 30-40% yield gap with Australia. This will have an impact on the price.</p> <p>Adverse scenario would be when US yields exceed Australian yields. This may limit the ability for Australia to sell on export markets at an economical price.</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Costs</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Selling Price</td> <td>▼</td> <td>▼</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Medium</b></td> <td><b>High</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	—	—	Δ Costs	—	—	Δ Selling Price	▼	▼	<b>Profitability Impact</b>	<b>Medium</b>	<b>High</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>Continue to facilitate strong R&amp;D program focussed on yield improvement.</li> <li>Support horticulture-wide initiatives for improving Australian yields.</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>Stay informed about yield improvement techniques and adopt them wherever possible.</li> <li>Share techniques with the industry.</li> </ul>
Impact on 2012 targets	Most likely	Adverse																			
Δ Plantings	—	—																			
Δ Yield	—	—																			
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<b>Profitability Impact</b>	<b>Medium</b>	<b>High</b>																			
15	<p><b>Increase (change) in value of AUD</b></p>	<p>Strong appreciation in AUD results in price decrease (in AUD) on export markets.</p> <p>There will be some compensating effects through lower import capital costs.</p>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>N/A.</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>Select and implement appropriate risk response to own foreign exchange risks.</li> </ul>																		

Risk Event & Causal Factors		Potential consequences			Risk Mitigation Actions
15	Cont...	<b>Impact on 2012 targets</b>	<b>Most likely</b>	<b>Adverse</b>	
		Δ Plantings	—	—	
		Δ Yield	—	—	
		Δ Costs	—	—	
		Δ Selling Price	▼	▼	
		<b>Profitability Impact</b>	<b>Low</b>	<b>Low</b>	
16	<b>Long term climate change trends resulting in unsuitable weather conditions</b>	Effects of climate change on Almond industry are largely unclear at this stage.			<b>ABA</b> <ul style="list-style-type: none"> <li>Ensure we are 'at the table' in the national climate change debate</li> <li>Coordinate research what the effects/impacts on the industry could be                             <ul style="list-style-type: none"> <li>Lobby with HAL for cross-industry projects</li> </ul> </li> <li>Start to think about any general longer term industry wide mitigating actions and initiatives (to deal with effects).</li> </ul> <b>Industry participants</b> <ul style="list-style-type: none"> <li>Extend geographical diversification of plantings / identify new (Australian) growing regions</li> </ul>
		Examples of potential effects are a lack of chilling in current almond regions and a change in amount and timing of rainfall.			
		<b>Impact on 2012 targets</b>	<b>Most likely</b>	<b>Adverse</b>	
		Δ Plantings	—	▼	
		Δ Yield	▼	▼	
		Δ Costs	▲	▲	
		Δ Selling Price	—	—	
		<b>Profitability Impact</b>	<b>Low</b>	<b>High</b>	
17	<b>Decline in International cooperation and collaboration</b>  <i>Potential causes:</i> <ul style="list-style-type: none"> <li>Rapidly growing Australian almond industry becomes seen as a competitor</li> </ul>	Australian almond industry has a good relationship with the Californian almond industry and will continue to maintain that relationship.			<b>ABA</b> <ul style="list-style-type: none"> <li>Formalise liaison with Almond Board of California.</li> </ul> <b>Industry participants</b> <ul style="list-style-type: none"> <li>Australian researchers to maintain relationship with Californian counterparts.</li> <li>Australian growers to maintain relationship with Californian counterparts.</li> </ul>
		If, for some reason, the relationship deteriorates, the consequences may be that Australia will be left behind in terms of new developments (e.g. supply/demand, quality, new varieties).			
		<b>Impact on 2012 targets</b>	<b>Most likely</b>	<b>Adverse</b>	
		Δ Plantings	—	—	
		Δ Yield	—	▼	
		Δ Costs	—	▲	
		Δ Selling Price	—	—	
		<b>Profitability Impact</b>	<b>Low</b>	<b>Medium</b>	

	Risk Event & Causal Factors	Potential Consequences	Risk Mitigation Actions																		
18	<p><b>Major interruption or supply problem (somewhere in value chain)</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>Strike in transportation sector</li> <li>Weather conditions</li> </ul>	<p>No significant interruptions expected (other than already covered in other risks).</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Costs</td> <td>▲</td> <td>▲</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>—</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Low</b></td> <td><b>Medium</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	—	—	Δ Costs	▲	▲	Δ Selling Price	—	—	<b>Profitability Impact</b>	<b>Low</b>	<b>Medium</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>Investigate opportunity to lower cost of insurance for the industry by combining powers</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>Ensure flexibility in transportation</li> <li>If necessary, import almonds to meet deficiencies</li> </ul>
Impact on 2012 targets	Most likely	Adverse																			
Δ Plantings	—	—																			
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<b>Profitability Impact</b>	<b>Low</b>	<b>Medium</b>																			
19	<p><b>Supply of high quality planting material not keeping up with industry demand</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>Significant shift in nursery focus / nurseries not aware of needs of Almond industry</li> <li>Viruses in bud wood as a result of growers producing own bud wood in a less controlled environment.</li> </ul>	<p>Shortage of seed/ root stock / bud supply is expected and this will flow straight through to plantings supply.</p> <p>With growers producing their own, the quality is at risk which may result in lower yields.</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>▼</td> <td>▼</td> </tr> <tr> <td>Δ Yield</td> <td>—</td> <td>▼</td> </tr> <tr> <td>Δ Costs</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>—</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Medium</b></td> <td><b>High</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	▼	▼	Δ Yield	—	▼	Δ Costs	—	—	Δ Selling Price	—	—	<b>Profitability Impact</b>	<b>Medium</b>	<b>High</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>Communicate with nurseries on needs of the Almond industry and ensure their ability to deliver (growth, varieties).</li> <li>Develop industry standards for growing bud wood</li> <li>Start nursery accreditation program</li> <li>Continue ABA bud wood program and communicate value (1<sup>st</sup> quality trees).</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>Communicate with own suppliers to ensure they are able to deliver on the growing needs.</li> <li>If required, produce own bud woods.</li> </ul>
Impact on 2012 targets	Most likely	Adverse																			
Δ Plantings	▼	▼																			
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20	<p><b>Availability of economically priced fertilisers / chemicals</b></p> <p><i>Potential causes:</i></p> <ul style="list-style-type: none"> <li>Producers not aware of the growing needs of the Almond industry</li> <li>Other industries who are also dependent on chemicals are willing to pay a higher price (e.g. mining explosives)</li> </ul>	<p>Most likely risk scenario is that fertiliser growth lags behind growth in almond plantings. Impact would likely to be a single season impact on quality and yields.</p> <p>Adverse scenario would be if government restricts the use of fertilisers / chemicals.</p> <table border="1"> <thead> <tr> <th>Impact on 2012 targets</th> <th>Most likely</th> <th>Adverse</th> </tr> </thead> <tbody> <tr> <td>Δ Plantings</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Yield</td> <td>▼</td> <td>▼</td> </tr> <tr> <td>Δ Costs</td> <td>—</td> <td>—</td> </tr> <tr> <td>Δ Selling Price</td> <td>—</td> <td>—</td> </tr> <tr> <td><b>Profitability Impact</b></td> <td><b>Medium</b></td> <td><b>High</b></td> </tr> </tbody> </table>	Impact on 2012 targets	Most likely	Adverse	Δ Plantings	—	—	Δ Yield	▼	▼	Δ Costs	—	—	Δ Selling Price	—	—	<b>Profitability Impact</b>	<b>Medium</b>	<b>High</b>	<p><b>ABA</b></p> <ul style="list-style-type: none"> <li>Inform producers of fertilisers and chemicals on needs of the Almond industry and ensure their ability to deliver. Via retailers of fertilisers and chemicals. <ul style="list-style-type: none"> <li>Growth projections</li> <li>Required change in chemicals (they lose effect after a while)</li> </ul> </li> <li>Coordinate research to find alternatives.</li> <li>Lobby with government via HAL / HAC.</li> <li>Investigate potential to combine industry buying power via ABA.</li> </ul> <p><b>Industry participants</b></p> <ul style="list-style-type: none"> <li>Connect with own fertiliser and chemicals suppliers to ensure they are aware of the (growing) needs and ensure supply.</li> </ul>
Impact on 2012 targets	Most likely	Adverse																			
Δ Plantings	—	—																			
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## STRATEGIC DIRECTION 2007 – 2012

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# 2007 - 2012

## STRATEGIC DIRECTION

Strategic objectives and actions have been grouped under the following headings:

1. Domestic Market Growth & Product Awareness
2. Export Market Growth & Australian Almond Brand Awareness
3. Production & Processing
4. Product Quality Management
5. Plant Improvement
6. Research & Development
7. People & Skills
8. Environmental Management
9. Industry Support

For each of the above, a “vision statement” was articulated that summarises the key element of the desired future state of the industry attribute. Objectives, action plans and accountabilities have been established for each.

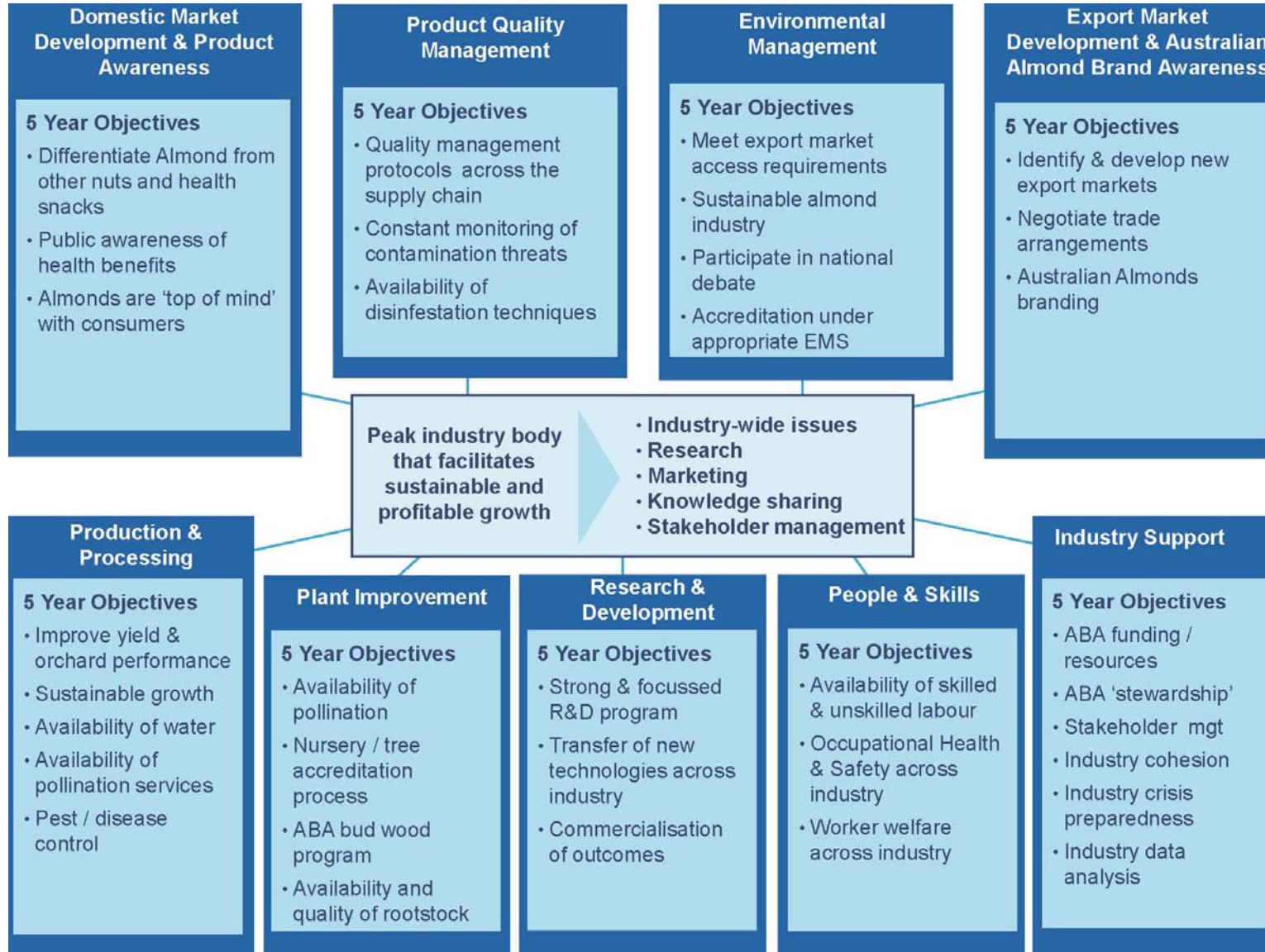
Each strategic objective is prioritised in terms allocation of ABA budget and effort. The following scale was used:

<b>High:</b>	Key area of focus for the ABA. ABA has a lead role to play in execution. Highest priority in allocation of time and budget to fully execute plan.
<b>Medium:</b>	Important to ABA and ABA will contribute to execution. Therefore allocation of some time and budget required.
<b>Low:</b>	Important to ABA, however ABA will only contribute if time and budget is available after execution of higher priority strategies and actions.

N.B. These ratings are not about the importance of the objective to the Industry. They are the priority they have in allocating ABA’s time and budget and are a function of the role ABA can/wishes to play in relation to achieving each objective.

# 2007 – 2012 STRATEGIC OVERVIEW

# 5 YEAR OBJECTIVES



## 1. DOMESTIC MARKET GROWTH & PRODUCT AWARENESS

*“We have achieved 15% annual growth in domestic almond consumption across both existing and new market segments. Almonds are now widely consumed as a daily healthy snack”*

Strategic Objectives	Action Plans	Accountability & Measures of Success	ABA Priority
1. Australian almonds have a clear differentiated selling proposition and branding from other nuts and other health snacks in the mind of the Australian consumers and retail markets	a) Develop clear almond branding for the domestic markets that differentiates the health, taste and quality messages from that promoted by other nuts and other healthy snack food groups	<p><b>Accountability:</b> Almond marketers, supported by ABA</p> <p><b>Measures of Success :</b></p> <ul style="list-style-type: none"> <li>Relative market share vs. competing products, by market segment</li> </ul>	M
2. There is a high general public “awareness” of the health benefits of almonds	<p>a) Continue to promote health benefits of almonds through the “Nuts for Life” program.</p> <p>a) Actively promote through strategic sponsorships / alliances with health, research and sporting organisations</p> <ul style="list-style-type: none"> <li>Heart Foundation</li> <li>Sports Dietitians Australia</li> <li>University of Wollongong</li> <li>Netball</li> </ul> <p>b) Apply to FSANZ for high-level health claims for almonds in relation to reduced risk of heart disease and lowering cholesterol.</p>	<p><b>Accountability:</b> ABA</p> <p><b>Measures of Success:</b></p> <ul style="list-style-type: none"> <li>Customer survey reasons for buying almonds</li> <li>Market survey: association of almonds with health benefits</li> </ul>	H
3. Almonds have become ‘top of mind’ with consumers in differing market segments, both when making nuts/snacks purchases as well as regular grocery purchase decisions	<p>a) Continue to promote and target supermarket visibility –point of sale promotions (fresh food &amp; health food sections)</p> <p>b) Develop messages for direct consumer communication via:</p> <ul style="list-style-type: none"> <li>Advertising &amp; Public Relations</li> <li>Website</li> <li>Sampling, Consumer Shows &amp; Events</li> </ul> <p>c) Promotion through food, service, hospitality events</p>	<p><b>Accountability:</b> Key industry marketers, supported by ABA</p> <p><b>Measures of Success:</b></p> <ul style="list-style-type: none"> <li>Market survey: % of customers that name almonds when asked to name a nut / type of snack / regular grocery shopping product</li> </ul>	L

## 2. EXPORT MARKET GROWTH & AUSTRALIAN ALMOND AWARENESS

*“15% annual growth in almond exports has been achieved. New export markets have been developed while maintaining strong share into existing core markets”*

Strategic Objectives	Action Plans	Accountability & Measures of Success	ABA Priority
1. New profitable export markets have been developed.	a) Identify priority export markets to target and develop tailored marketing /promotion programmes b) Define markets and requirements	<b>Accountability:</b> ABA together with almond marketers  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>• Export as % of total revenue</li> <li>• # of export markets above certain threshold</li> <li>• Revenue from emerging/key export markets</li> </ul>	H
2. Access to key export markets are maintained / improved	a) Continue to develop stronger relationship and communications with the Horticulture Market Access Committee (HMCA) b) Support FTA negotiations for defined and agreed industry priorities	<b>Accountability:</b> ABA together with almond marketers  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>• Export as % of total revenue</li> <li>• # of export markets with favourable trade arrangements</li> </ul>	H
3. There is a clear international branding / differentiation for Australian almonds	a) Continue to create and promote a unique selling proposition & branding for “Australian almonds” for rollout in domestic and export markets. Promote branding and use of logo through appropriate licensing agreements b) Develop promotional material to promote the Australian almond industry and support branding / differentiation for “Australian almonds” c) Create and promote an Australian almond standard that exceeds global expectations / standards / specifications	<b>Accountability:</b> ABA together with almond marketers  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>• Market sampling/ customer research: awareness of ‘Australian almonds’ brand in key export markets</li> </ul>	M

### 3. PRODUCTION & PROCESSING

*“The industry has experienced continuing strong production growth driven by both yield and acreage increases. Industry wide almond processing is both efficient and effective.”*

Strategic Objectives	Action Plans	Accountability & Measures of Success	ABA Priority
1. There is continuing improvement in yields and economic performance of Australian orchards and international competitiveness is maintained	a) Define the maximum level of sustainable yield b) Define orchard establishment and management practices required to achieve it c) Adapt this work for established orchards d) Develop systems for newly planted orchards. e) Develop and implement technology transfer program to assist industry to maximise production f) Establish regular on-farm benchmarking studies	<b>Accountability:</b> Almond growers, supported by ABA <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>(Increase in ) yield / economic performance of orchards across the industry as a whole, measure through benchmark studies</li> </ul>	H
2. There are effective processes in place for pest and disease management	a) Maintain a watching brief on pest and disease issues and deal with the issues as they arise b) Develop and regularly review Spray Program c) Develop an industry IPM Manual d) Regularly undertake gap analysis to review chemical requirements and update chemicals available to the industry and where necessary seek registration and permits	<b>Accountability:</b> Almond growers, supported by ABA <b>Measures of Success:</b> <ul style="list-style-type: none"> <li># of pest / disease incidents</li> <li>Scale of pest / disease incidents</li> </ul>	M
3. Orchard variability (within orchard and year by year) is measured and response strategies have been developed.	a) Develop methods of GPS yield mapping b) Develop strategies to help deal with identified variability: soil variability, biennial bearing, long term weather and short term weather variations c) Maintain an environmental watching brief	<b>Accountability:</b> Almond growers, supported by ABA <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>Yield variability within orchards</li> <li>Yield variability of orchards year-by-year</li> </ul>	L

<p>4. Access to pollination services is secured</p>	<p>a) Liaise with the apiary industry to ensure that both industries are aware of each others' situation</p> <p>b) Ensure adequate availability of hives</p> <p>c) Undertake research to improve the efficiency of pollination and to investigate alternative pollinators</p> <p>d) Assist and encourage the apiary industry to undertake research in artificial bee nutrition and temporary pollination colonies / hives</p>	<p><b>Accountability:</b> ABA</p> <p><b>Measures of Success:</b></p> <ul style="list-style-type: none"> <li>• Shortage of pollination services (e.g. number of orchards not pollinated or not in time)</li> <li>• Costs of pollination services</li> </ul>	<p>H</p>
<p>5. Water supply is secured to sufficient level</p>	<p>a) Lobbying of relevant Government agencies/politicians</p> <p>b) Collection of statistical data</p> <p>c) Public presentation and other PR activities on water efficiency in the almond industry</p> <p>d) Communication between ABA and relevant agricultural organisations on water issues</p>	<p><b>Accountability:</b> ABA</p> <p><b>Measures of Success:</b></p> <ul style="list-style-type: none"> <li>• Water shortage (e.g. # of incidents of shortage, litres by region)</li> <li>• Production decrease directly caused by water shortage, by region</li> </ul>	<p>H</p>
<p>6. Orchards limit water usage to industry objective</p>	<p>a) Establish industry objective for water usage (mega litre / acre)</p> <p>b) Collect data from growers to measure water usage</p> <p>c) Facilitate exchange of techniques between growers to reduce water usage</p>	<p><b>Accountability:</b> Almond growers, supported by ABA</p> <p><b>Measures of Success:</b></p> <ul style="list-style-type: none"> <li>• Water use per orchard, grower, region (compared to yields)</li> </ul>	<p>M</p>
<p>7. Biosecurity plans are in place for both trees / orchards and pollination</p>	<p>a) In conjunction with PHA develop an Industry Bio-security Plan</p> <p>b) In conjunction with AHA ensure development of a plan to address Bee Bio-security</p> <p>c) Develop Emergency Response systems and training of nominated industry representatives</p>	<p><b>Accountability:</b> ABA</p> <p><b>Measures of Success:</b></p> <ul style="list-style-type: none"> <li>• Biosecurity plan in place for almond industry and bee industry</li> <li>• Crisis management plan in place for almond industry</li> <li>• Familiarity of industry participants with biosecurity plan and crisis management plan</li> </ul>	<p>M</p>
<p>8. Utilisation of hull and shell is optimised</p>	<p>a) Review economics of hull and shell use as an animal feed in relation to the associated restrictions on use of agricultural chemicals on the orchard</p> <p>b) Identify alternative uses for hull and shell</p>	<p><b>Accountability:</b> Processors</p> <p><b>Measures of Success:</b></p> <ul style="list-style-type: none"> <li>• Revenue of hull and shell</li> </ul>	<p>L</p>

## 4. PRODUCT QUALITY MANAGEMENT

*“We have further improved almond quality management processes and experienced no food safety issues”*

Strategic Objectives	Action Plans	Accountability & Measures of Success	ABA Priority
1. There are clear, industry-wide quality management protocols in place across the supply chain.	a) Identify protocols to support individual’s quality programs including HACCP plans where there is a clear industry requirement b) Review current HACCP plans and rewrite where necessary c) Annually review HACCP plans and protocols against market requirements. d) Develop additional resources documents, such as to support other levels in the market chain e) MRL Compliance f) Suitable Quality Assurance protocols accepted by all levels in the market chain g) Assist industry implementation of Food Safety Guidelines Manual and continually update these protocols	<b>Accountability:</b> All industry participants, supported by ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>Level of compliance with industry-wide protocols (QA audits)</li> </ul>	M
2. Potential contamination threats are continually identified and managed during production	a) Update on-farm QA protocols, setting agreed minimum industry standards	<b>Accountability:</b> Almond growers, supported by ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li># &amp; size of contamination incidents on-farm</li> </ul>	L
3. There is industry-wide availability of disinfestation techniques	a) Identify and introduce alternative fumigation technologies to replace existing products b) Investigate methods for the reduction of microbiological contamination of almonds to address future market requirements	<b>Accountability:</b> ABA together with almond growers  <b>Measures of Success:</b>	M

## 5. PLANT IMPROVEMENT

*“We have secured access to quality planting material to meet demand”*

Strategic Objectives	Action Plans	Accountability & Measures of Success	ABA Priority
1. Reduce industry's reliance on bees for pollination	a) Allocate R&D funding to development of self-pollination tree varieties	<b>Accountability:</b> ABA <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>Self-pollinating variety developed</li> </ul>	M
2. Industry propagation material is backed by nursery or tree accreditation process including agreed nursery standards	a) Develop industry standards for budded trees b) Identify and implement a nursery accreditation process	<b>Accountability:</b> ABA together with nurseries <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>Shortages of propagation material (e.g. # of incidents of shortage, size of shortages)</li> </ul>	M
3. Success of the ABA Budwood programme is maintained	a) Review sustainability of existing plantings to support expansion b) Maintain annual virus testing c) Increase ABA budwood program by 50% from 2005 plantings. d) Maintain all accredited budwood sales and marketing activities under ABA control	<b>Accountability:</b> ABA <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>% of total budwood from ABA budwood program</li> <li>Costs of ABA budwood vs. other providers</li> </ul>	M
4. Commercial availability of suitable rootstock is ensured	a) Formulate a plan to ensure availability of high quality rootstock b) Evaluate and monitor performance of rootstock material c) Develop technology transfer in relation to the above	<b>Accountability:</b> ABA <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>Shortages of rootstock (e.g. # of incidents of shortage, size of shortages)</li> </ul>	M

## 6. RESEARCH & DEVELOPMENT

*“We have a well developed industry research & development programme resulting in new commercial practices being widely applied”*

Strategic Objectives	Action Plans	Accountability & Measures of Success	ABA Priority
1. There is a strong successful R&D programme in place encompassing relevant commercialisation strategies	a) Identify new research directions and develop an R&D program and budget with regard to the 2007/2012 Strategic Plan. b) Fulfil the reporting requirements of funding bodies and levy payers c) Develop a Research Management Plan addressing succession planning, cost benefit analysis, IP issues, consolidated facilities, adequate resourcing, confidentiality of IAC processes d) Continuously review research roles, staff and resources e) ABA/HAL/University of Adelaide commercial agreement assessed f) Undertake commercialisation needs and opportunities assessment for all research projects g) Where appropriate, develop commercialisation strategies agreements	<b>Accountability:</b> ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>• R&amp;D projects R.O.I</li> <li>• % of R&amp;D projects completed within schedule and budget</li> <li>• # of R&amp;D outcomes turned into commercial activity</li> </ul>	H
2. Technologies are effectively transferred between industry members	a) Produce and regularly update ‘Packages of Information’ to support technology transfer.	<b>Accountability:</b> ABA together with industry members  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>• Adoption rate of new technologies</li> </ul>	M

## 7. PEOPLE & SKILLS

*“The Almond industry attracts and supports a sufficient number of skilled people and ensures they work in a safe environment”*

Strategic Objectives	Action Plans	Accountability & Measures of Success	ABA Priority
1. There is adequate availability of skilled workforce to support the industry's growth	a) Conduct a skills gap analysis b) Develop an industry specific competency based training program and implement it c) Liaising with Commonwealth and State agencies for job skill and training initiatives networks d) Consider scholarships at tertiary level e) Support training at trade level f) Promotion of industry through educational institutions g) Consider developing horticulture education programme with educational institutions	<b>Accountability:</b> ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li># of vacancies for skilled labour across the industry</li> </ul>	M
2. OH&S and worker welfare requirements are effectively managed	a) Identify and disseminate appropriate guidelines for b) OH&S systems c) worker welfare d) Where possible leverage programs developed in other horticultural industries.	<b>Accountability:</b> Industry members, supported by ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li># and severity of OH&amp;S incidents</li> </ul>	L

## 8. ENVIRONMENTAL MANAGEMENT

*“The industry is achieving environmental sustainability in an effective but cost-efficient manner”*

Strategic Objectives	Action Plans	Accountability & Measures of Success	ABA Priority
1. Environmental issues are being effectively managed to support export market access	a) Develop package of data to support accreditation under appropriate environmental management system (EMS) b) Where possible, leverage other industry programs	<b>Accountability:</b> Industry participants, with support from ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>• # of restrictions to export markets due to not meeting environmental obligations</li> </ul>	M
2. Environmental sustainability of the industry is ensured	a) Watching brief on policy development b) Provide inputs to across industry studies c) Collect data on a range of issues, e.g. dust, spray drift, soil changes, salinity drainage etc. d) Where possible, piggy back on other industry programs	<b>Accountability:</b> Industry participants, with support from ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>• Reduction in ecological footprint of the industry</li> </ul>	L
3. Almond Industry actively contributes to the national debate around environmental issues	a) Participate in Australia wide environmental developments e.g. catchment management programs, regional environmental programs b) Develop information packages on the almond industry for outside interested parties and growers.	<b>Accountability:</b> ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>• Reduction in ecological footprint of the industry</li> </ul>	H

## 9. INDUSTRY SUPPORT

*“Our key industry body (ABA) effectively supports the interests of the industry and its members”*

Strategic Objectives	Action Plans	Accountability & Measures of Success	ABA Priority
1. ABA structure and resources effectively support achievement of industry goals	a) Ongoing review and refinement of organisational structure and relevant position descriptions, processes, reporting structures, committee terms of references through regular gap analysis b) Ensure that adequate resources are available and well-managed to support achievement of industry goals in a cost-effective manner. c) Identify and develop expertise of an appropriate spokesperson(s) for legal, media and PR activities.	<b>Accountability:</b> ABA <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>• Progress ABA against its action plans</li> <li>• Financial position of the ABA</li> <li>• Level of Voluntary Marketing Contribution</li> </ul>	H
2. Relationships with members and stakeholders are effectively managed, ABA provides effective guidance, stewardship and leadership	a) Effectively implement strategic, operational and communication plans through continuing presentation and interaction with all stakeholders b) Develop and implement a communication program to effectively achieve stakeholder ownership and acceptance of an all of industry united single business c) Cross over of communication between ABA and other industry organisations and stakeholder organisations including HAL d) Regular communications through annual meetings held in each region, regular updates on website, quarterly newsletter to all industry stakeholders e) Effective communication between ABA Board and IAC and other committees through clearly identified pathways f) Encourage ABA grower and associate membership by promoting and extending the benefits of ABA membership	<b>Accountability:</b> ABA <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>• # of stakeholders where ABA has a formal 'seat at the table'</li> <li>• # of contact moments with stakeholders</li> <li>• Grower membership %</li> <li>• # of associate memberships</li> <li>• Members survey: satisfaction with ABA</li> <li>• # of contacts with HAL</li> </ul>	H
3. The industry is well represented and agri-political issues are effectively managed	a) Represent industry interests in policy determination, both domestically and internationally in issues impacting on the industry, including agri-politics, market access, biosecurity, industry risk management and right to farm issues.	<b>Accountability:</b> ABA <b>Measures of Success:</b>	M

Strategic Objectives	Action Plans	Accountability & Measures of Success	ABA Priority
4. Strategic Plan is effectively implemented	a) Update vision and operational plan every three years. b) Review operational plan six monthly c) Ensure effective implementation of operational plan through quarterly review	<b>Accountability:</b> ABA together with industry members  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>All measures of success as defined in this plan.</li> </ul>	H
5. Industry and organisational risks are effectively identified and managed	a) Develop an Risk Management Plan for the industry and the organisation, addressing IP issues and ownership b) Continually review the plan and areas of risk.	<b>Accountability:</b> ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li># of risks from the risk register that have materialised</li> <li>Progress of risk mitigation strategies</li> </ul>	H
6. The Industry is well prepared in case of a crisis situation	a) Develop and implement Crisis Management Plan b) Develop training programs to support this plan c) Identify and train industry spokesperson(s)	<b>Accountability:</b> ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>Level of awareness of industry crisis plan across the industry</li> </ul>	M
7. Industry information and statistics are captured and maintained and circulated and readily available to inform industry, stakeholders and other interested parties.	a) Annual collection and collation of planting, production and other data as appropriate b) Evaluation of collated data and feedback to ABA and industry stakeholders c) Identification of gaps in statistics and feasibility into different method of collection other than surveys d) Dissemination of data in processed form to allow improved infrastructure and business planning which in turn will better support industry development (eg. Logistics, distribution and pollination, dehydration, nursery, etc) e) Develop and maintain a central database for industry information and statistics for both stakeholders and interested parties	<b>Accountability:</b> ABA  <b>Measures of Success:</b> <ul style="list-style-type: none"> <li>Level of participation in information gathering surveys</li> <li># of 'information packages' distributed by ABA based on own data analysis</li> </ul>	M





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