

MEDIA RELEASE

February 27, 2008

Aussie almond crop sustained despite drought

Australian almond growers are set to produce a 2008 crop that is similar to last year, despite experiencing the most severe water shortages in the industry's history.

Crop forecast figures released by the Almond Board of Australia today reveal that the nation is expected to produce 26,800 tonnes of almonds this year, comparable to the 2007 crop of 26,555 tonnes.

ABA's chief executive Julie Haslett said an increased yield from maturing young orchards had compensated for the impact of significant water restrictions.

Ms Haslett said the uncertainty of water supply has had significant impact on production across the major growing districts of the Australian industry.

She said it was a tribute to growers that they have been able to manage the tough water restrictions over the past 12 months.

"In many cases growers have had to contend with having their water allocations cut by more than 50%. Reduced irrigation has had an impact on overall yield and kernel size in addition to restricting tree growth, which may have potential impacts on the 2009 crop.

"It has been one of the toughest growing years our growers have ever experienced."

Ms Haslett said a key strength of the industry is a willingness among growers to embrace the most efficient irrigation management systems available.

"Australian almond growers have always prided themselves on producing high quality almonds, with an ever increasing emphasis on improving their efficiency. After managing through the difficult growing season this year, the potential for growth long term is very exciting for all involved."

The almond industry is one of the fastest growing horticulture sectors in Australia, servicing growth in domestic consumption and increasing demand from major export markets such as India, Europe, Japan, Hong Kong, New Zealand and the Middle East.

Ms Haslett said the farm-gate value of the Australian industry is currently \$180 million and this is expected to increase to more than \$500 million within seven years when newly planted orchards reach full production. The ABA estimates that production will increase three fold to almost 80,000 tonnes by the end of this period.

"Our immediate challenge is managing water shortages, but the industry is in a very strong position to continue developing a position as a major world supplier of almonds when climatic conditions improve.

Despite the ongoing dry, Ms Haslett said stable market conditions and strong global demand is still attracting new investors to the industry, both from the corporate sector as well as existing primary producers looking for a viable, sustainable horticultural crop.

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