Almond Board of Australia
Annual General Meeting
2016
Annual General Meeting 2016

Neale Bennett, Chair
AGENDA

1. Welcome
2. Apologies
3. Minutes of AGM held 28th October 2015
4. Reports
   • 4.1 Chairman’s Report
   • 4.2 CEO’s Report
   • 4.3 Presentation of Financial Statements and Reports as of 30 June 2016
5. General Business
   • 5.1 ABA Board - Elections and Appointments
   • 5.2 Appointment of Auditor
6. Other Business
7. Meeting Close
2. Apologies
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3. Minutes

AGM held 28th October 2015
3. Minutes

Motion
That the following be moved as an Ordinary Resolution by a Grower Member:

“That the minutes of the Annual General Meeting of the Almond Board of Australia held 28th October 2015 be accepted as a true and accurate record.”
4. Annual Report
4.1 Chairman’s Report

Neale Bennett
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ABA Board of Directors 2015/16

Grower Directors
• Neale Bennett
• Peter Cavallaro
• Denis Dinicola
• John Maragozidis
• Tim Orr
• Brendan Sidhu

Marketing Directors
• Grant Birrell
• Damien Houllahan
• Laurence Van Driel
• Brenton Woolston
ABA’s Role

As the Australian almond industry’s peak body, the ABA:
• Facilitates further growth of the industry.
• Seeks to maximise its profitability and sustainability.
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The Almond Board of Australia is charged with guiding the development of the industry through implementing our Strategic Plan.
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2015/16 Initiatives

Relocation of ABA head office to Loxton Research Centre revamped complex.
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2015/16 Initiatives

Purchase agreement signed for 60 Ha almond experimental farm in Loxton.
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2015/16 Initiatives

$10 million joint State / Commonwealth funding for additional almond researchers in SA and Victorian Agriculture Departments.
Thank you to:

• ABA members
• Board Directors
• Committee Members
• Researchers
• SA and Vic Departmental staff
• Support Organisations
• Sponsors
Thank you to:

Robert (Tim) Orr
Grower Director – Sunraysia
2010-2016
Thank you to ABA staff

Despite the industry growing threefold since 2007, the ABA has the same staff numbers as then. This is due to their experience, skills and commitment to the industry.
4.1 CEO’s Report
Ross Skinner
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ABA Annual Report 2016

• Industry Snapshot
• ABA Activities Undertaken
• ABA Financials – Shannon Harkins

Joseph Ebbage will present on Market Development Program during the Conference
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2015/16 Financial Year Snapshot

• There are 200 almond producers.
• The current orchard area is 31,000 Ha’s.
• Production in 2016 was 80,140 metric tonnes of kernel weight.
• The industry’s farm gate value in 2015 was just shy of $1 billion.
• Further major plantings are underway that may increase the orchard area by 15,000 Ha’s.
• Interest from Australian / overseas investors is continuing.
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Orchard Plantings Bearing Status by Year

2015
Bearing: 28,660 ha
Non Bearing: 2,455 ha

2016
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Orchard Plantings by Region – 2015 Data

1. Sunraysia (VIC)
   - 64%
   - 19,798 ha

2. Riverland (SA)
   - 20%
   - 6,081 ha

3. Riverina (NSW)
   - 12%
   - 3,824 ha

4. Swan Region (WA)
   - 2%
   - 753 ha

5. Adelaide Plains (SA)
   - 2%
   - 709 ha

Industry Total
- 31,115 ha
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Almond Production – Past, Present and Future

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
</tr>
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<tbody>
<tr>
<td>2020</td>
<td>97,334</td>
</tr>
<tr>
<td>2019</td>
<td>89,292</td>
</tr>
<tr>
<td>2018</td>
<td>84,787</td>
</tr>
<tr>
<td>2017</td>
<td>82,931</td>
</tr>
<tr>
<td>2016</td>
<td>80,140</td>
</tr>
<tr>
<td>2015</td>
<td>82,509</td>
</tr>
<tr>
<td>2014</td>
<td>65,060</td>
</tr>
<tr>
<td>2013</td>
<td>73,361</td>
</tr>
<tr>
<td>2012</td>
<td>49,585</td>
</tr>
<tr>
<td>2011</td>
<td>37,626</td>
</tr>
</tbody>
</table>
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World Production

- USA: 78.9%*
- Australia: 7.7%
- Spain: 6.1%
- Others: 4.9%
- Chile: 1.2%
- Turkey: 1.2%
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Australian Domestic and Export Supply – MY.
ABA’s Market Development Committee – 2015/16

The Committee oversees the activities funded with the $20 per tonne voluntary marketing levy.

Committee Membership:

• Brendan Sidhu - Chair
• Grant Birrell – Nut Producers Australia
• Damien Houlahan - Olam
• Tim Jackson - Almondco
• Adrian Lees – Bright Light Almonds
• Laurence Van Driel – Select Harvests
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Free Trade Agreements prove their worth.

Korea 8% Tariff
2015 Sales + 1,103%

Japan 2.4% Tariff
2015 Sales + 416%

China 10% Tariff
Now 6%
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Free Trade Agreements prove their worth.

The Australian Indian Free Trade Agreement has stalled.

India remains our largest export destination in terms of tonnage and value.
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Export Sales 2015/16

Record financial year export tonnage of 55,000 tonnes and value of $616 million achieved.
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Global Market 2015/16
The global price for almonds is now improving after freefalling from the record levels reached in September 2015 - $13.28. The lower prices have stimulated demand and the US has had record shipments.

Average Monthly Export Price
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With California being the major global producer the relative foreign exchange between the A$ and US$ is a major influence on our returns.

Comparative $AUD vs $USD Exchange Rates
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Other 2015/16 Positives
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2015/16 Positives

University of Adelaide new varieties released.
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2015/16 Positives
Two million buds were produced and sold to nurseries from the ABA budwood sites at Monash and Colbinabbin. A third site is being prepared at Loxton Research Centre.
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2015/16 Positives

Tissue culture facility linked to Agromillora (Spain) produces 280,000 Garnem rootstock in 2015/16.
2015/16 Positives

Potential MRL issue on Fosetyl-Al averted allowing exports to EU to continue.

41% of Australian almond exports went to Europe in 2015/16 marketing year.
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2015/16 Positives
Aflatoxin issues from 2014 led to a fourfold increase in testing in the EU upon arrival and caused delays to port clearance. ABA submission via Australian government succeeded in having Australian almonds removed from the EU’s Emerging Risk List after a year of increased cost and inconvenience.

Aflatoxin is produced from certain moulds.
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2015/16 and Future Challenges
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Challenges

Biosecurity incursions:
• Varroa Mite.
• Khapra Beetle.
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Challenges

Modern Horticulture Award & Backpacker Tax.
Challenges

Water Delivery Surety
The almond industry water requirement will increase 200,000 megalitres to 600,000 megalitres in future. The Barmah Choke may cause issues with delivery.
Challenges

Hive availability and cost.
With the increased price of honey some beekeepers are preferring not to move hives south away from floral resources to pollinate almond orchards.

ABA is forming a Pollination sub committee to develop and implement a strategy to provide pollination security to the industry.
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Challenges

National Residue Survey
First failures in Maximum Residue Limit testing by the Commonwealth Dep’t of Agriculture.
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Challenges

Insect Damage

Carob moth

Carpophilus beetle
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Challenges

Changes to HIA funding model and new processes brought funding uncertainty to resource the implementation of the industry’s strategic plan.

We are currently working with HIA on mechanisms to provide additional funding to the R&D program particularly in the areas of longer term strategic importance such as market development and advanced production systems.
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Challenges

ABA projects that have concluded:
1. Australian almond industry communications (Approved)
2. Almond industry statistics (Approved)
3. Australian almond industry conferences
4. Australian almond industry - liaison & extension project
5. Evaluation of potential rootstocks for almond production
6. Research & education of health professionals
7. Developing export markets for Australian almonds
8. Almond international networking
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ABA Staff
Annual General Meeting 2016

4. Finance Report

Shannon Harkins
Annual General Meeting 2016

Presentation of the Financial Statements and Reports as at 30 June 2016

4.1 Income Statement
4.2 Income Chart
4.3 Expenditure Chart
4.4 Balance Sheet
## Annual General Meeting 2016

### Financial Report – Income Statement

<table>
<thead>
<tr>
<th></th>
<th>2016 $</th>
<th>2015 $</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,587,748</td>
<td>4,299,876</td>
<td>6.3%</td>
</tr>
<tr>
<td>Expenses</td>
<td>2,932,979</td>
<td>2,941,791</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Surplus / (Deficit)</td>
<td>1,654,769</td>
<td>1,358,087</td>
<td>17.9%</td>
</tr>
</tbody>
</table>
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Financial Report – Income Chart

- Grant Funding: 46%
- Marketing Contributions: 32%
- Sales: 20%
- Memberships: 1%
- Other/Sundry Income: 1%
- Other/Sundry Income: 1%
Annual General Meeting 2016

Financial Report – Expenditure Chart

- Marketing Activities: 38%
- R&D Activities: 5%
- Voluntary Contributions: 9%
- Budwood & Evaluation: 11%
- Administration/Org Management: 37%
## Financial Report – Balance Sheet

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<th></th>
<th>2016</th>
<th>2015</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>5,975,479</td>
<td>3,920,214</td>
<td>34.4%</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td>838,404</td>
<td>437,908</td>
<td>47.8%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>5,137,075</td>
<td>3,482,306</td>
<td>32.2%</td>
</tr>
</tbody>
</table>
Annual General Meeting 2016

Motion

That the following be moved as an Ordinary Resolution by a Grower Member:

“The reports of the Annual General Meeting of the Almond Board of Australia held Wednesday, 8th November 2016 be adopted.”
Annual General Meeting 2016

Election & Appointments

In accordance with the ABA’s Constitution, the following Board positions have been declared vacant. Two nominations were received to fill the two vacant Grower Director positions on the ABA Board:

- **Grower Representative of the Riverland Region** nominee: Brendan Sidhu, and
- **Grower Representative of the Sunraysia Region** nominee: Darren Minter
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Election & Appointments

Two nominations were received to fill the two vacant Marketer Director positions on the ABA Board:

• **Marketer Director nominee:**
  Grant Birrell, and

• **Marketer Director nominee:**
  Laurence Van Driel
I therefore declare duly elected for a period of two years, effective from the Annual General Meeting Date of 9th, October 2016.

• Brendan Sidhu & Darren Minter as Grower Directors
• Grant Birrell & Laurence Van Driel as Marketer Directors
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ABA Board of Directors 2016/17

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<td>• Darren Minter</td>
<td></td>
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<tr>
<td>• Brendan Sidhu</td>
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</table>
Annual General Meeting 2016

Appointment of Auditor

That the following be moved as an Ordinary Resolution by a Grower Member:

“That Crowe Horwath Murray Darling be re-appointed as auditor for the Almond Board of Australia for the 2015/16 financial year”
6. Other Business
Annual General Meeting 2016

Take Home Messages
Annual General Meeting 2016

Take Home Messages

We can’t take quality for granted. Insect and chemical use breaches are a major concern.
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Take Home Messages

Water supply and delivery cost will determine where future almond industry development occurs.
Take Home Messages

The industry benefits the communities in Sunraysia, the Riverland and Riverina and the water market means there will be winners and losers in future as water moves to the most profitable industries. We need to be competitive against not only Californian almonds but also other Australian horticultural crops to survive.
7. Meeting Closed
Thank you