

INTERNATIONAL NUT & DRIED FRUIT COUNCIL

Empower Minds & Stimulate Consumption





2.47 BILLION!

Contents

1. Industry Trend Research

- a. Shifts in consumption
- b. Demand Expectations
- c. Shipping delays
- d. Main costs impacting profitability
- e. Production trends

2. Gen Z: the new consumers

- a. Why Gen Z
- b. Research Findings
- c. Results Summary

3. INC Multiyear Dissemination Campaign

- a. Multiyear Dissemination Plan
- b. Why Gen Z in China



Industry Trends Survey



Food Manufacturing Industry

Significant Shifts in Consumption Trends in the Last Two Years

Were there any significant shifts in consumption trends in the last two years in the food manufacturing industry (ingredients)?

✓ **America, Europe, Middle East, India and Australia:**

- Significant shift towards plant-based foods.
- Increased usage of nut drinks, spreads and oils, nut-based probiotics and date syrup and powder.
- Increased demand for natural ingredients in food manufacturing.
- Decreased demand on the ingredient side.
- World-wide decreased demand of nuts and dried fruits products for food service and grab and go categories during the pandemic lockdowns.

Food Manufacturing Industry

Significant Shifts in Consumption Trends in the Last Two Years

Were there any significant shifts in consumption trends in the last two years in the food manufacturing industry (ingredients)?

✓ China:

- The market share of kernel products has increased significantly in the past two years.
- Increased demand of added-value products, such as blanched kernels, roasted savoury nuts for both in-shell and shelled, mixed nuts/fruits, and baked goods.
- Constant innovation in flavoured nuts to meet consumer demand.

Retail & Online Trade

Significant Shifts in Consumption Trends in the Last Two Years

Were there any significant shifts in consumption trends in the last two years in the food & online retail sector?

✓ **America, Europe, Middle East, India and Australia:**

- COVID-19 shifted channel consumption from Food Service to retail and e-commerce.
- Fast increase of online sales especially during the lockdown and now partially stabilizing but still significantly growing.
- Shifting to family-sized packaging during the pandemic, though small size packs for snacking now partially recovering.
- Households buying more packaged nuts as a source of plant-based protein and healthy snacks.
- More recently, cheaper tree nut categories increased in nut mixes and smaller packs at the same price of larger ones starting to show.

Retail & Online Trade

Significant Shifts in Consumption Trends in the Last Two Years

Were there any significant shifts in consumption trends in the last two years in the food & online retail sector?

✓ **China:**

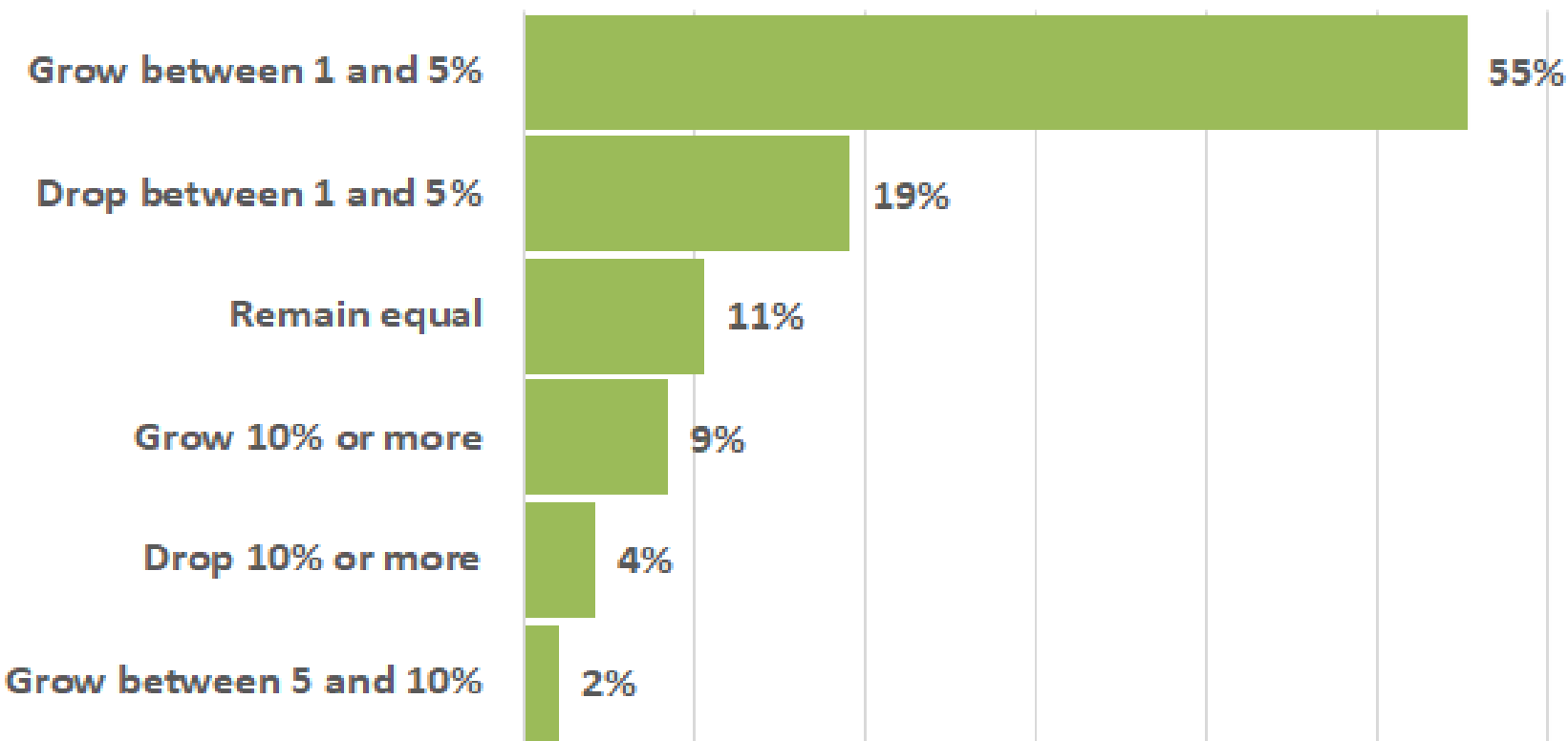
- Seasonality of nut consumption still significant.
- Retail trading booming in China.
- E-commerce festivals such as “618” and “double 11”, streaming live sales and internet celebrities gradually becoming the driving force of consumption.
- Daily nuts and retail gift packs also driving demand.
- Increased demand of functional nut products.
- Consumers demanding high-quality and traceability.

Demand 2022 VS. 2021

How do you expect 2022 demand will be vs. 2021?

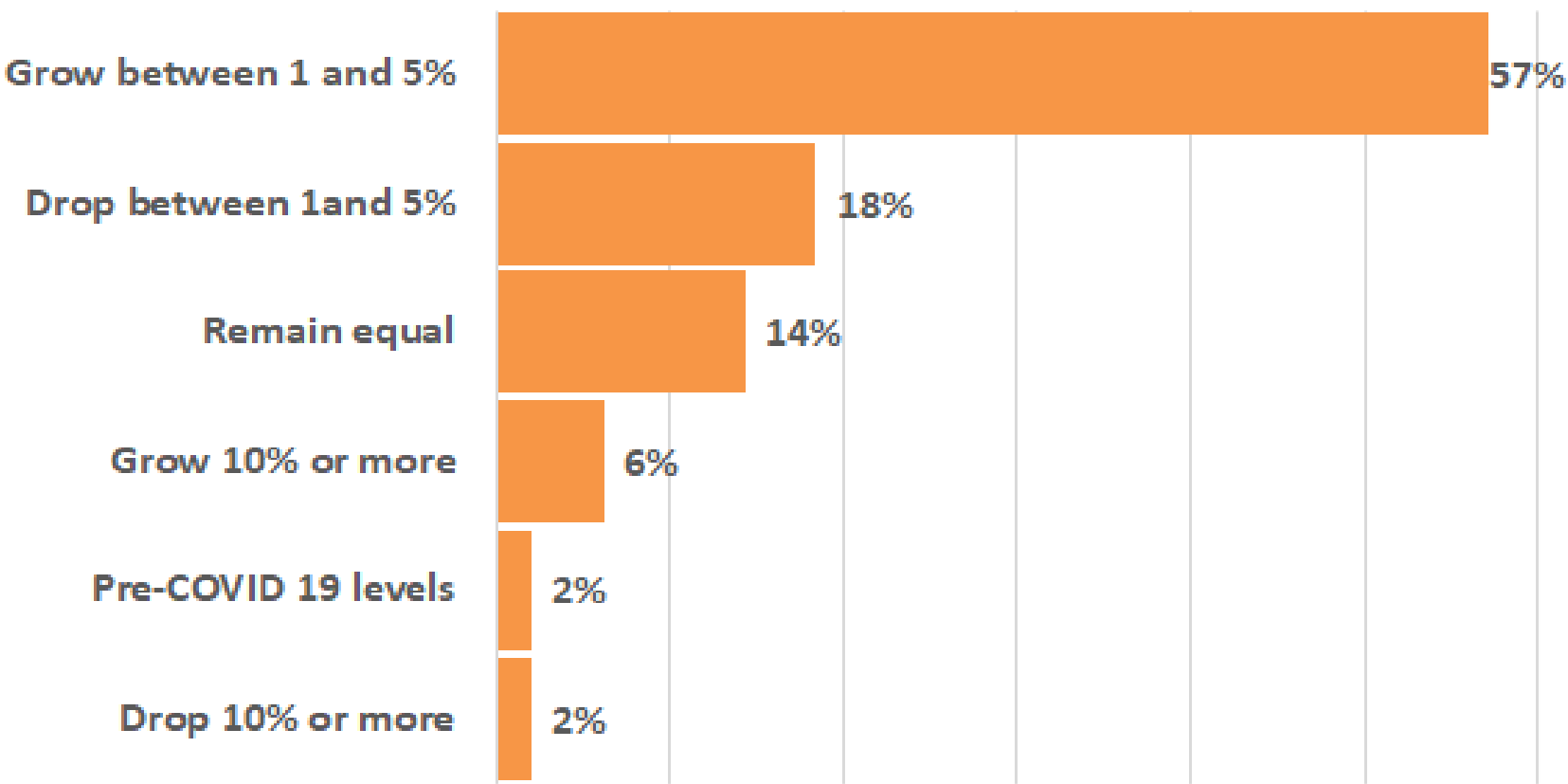
Food Manufacturing Industry

Participants expect demand 2022 vs. 2021 to



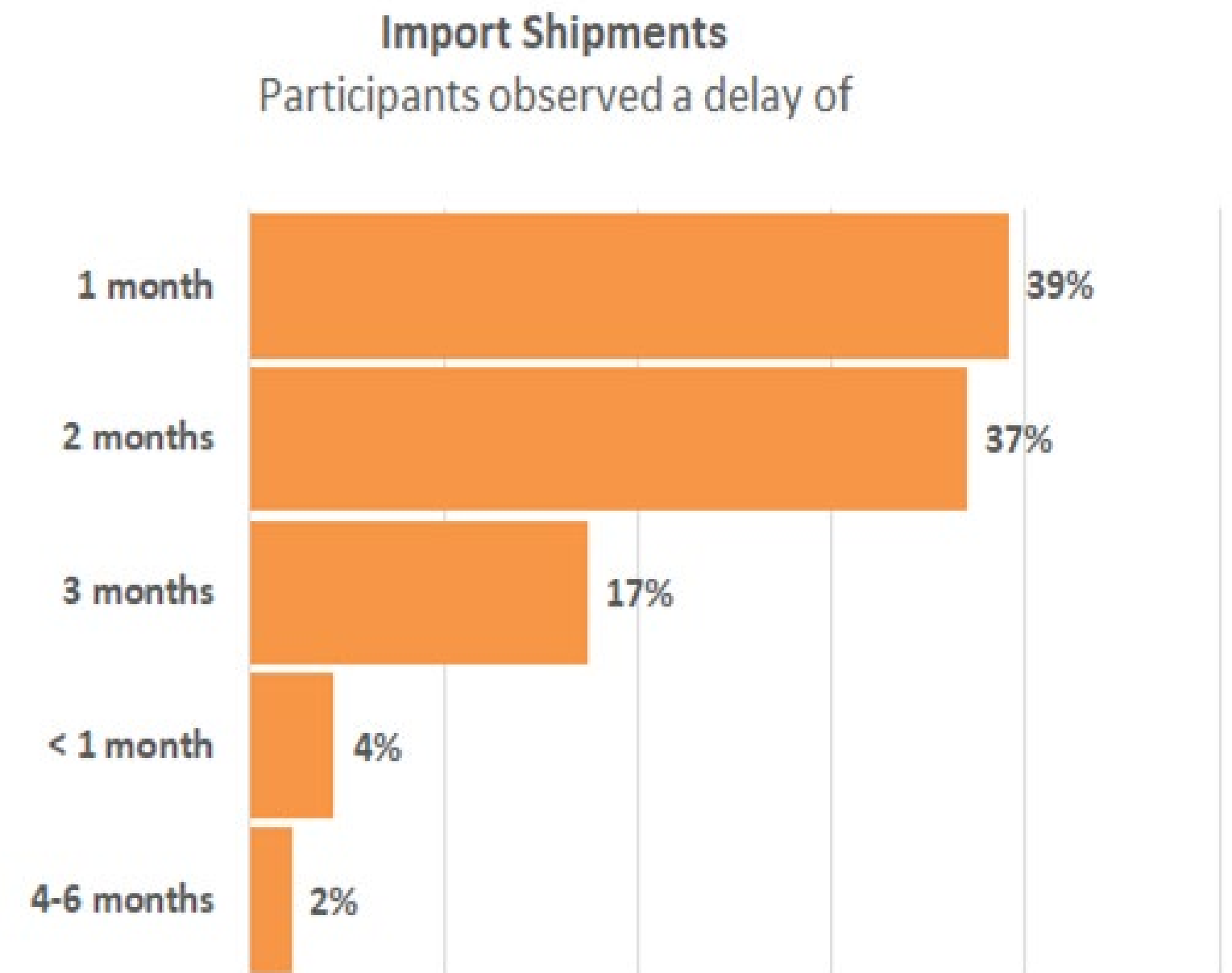
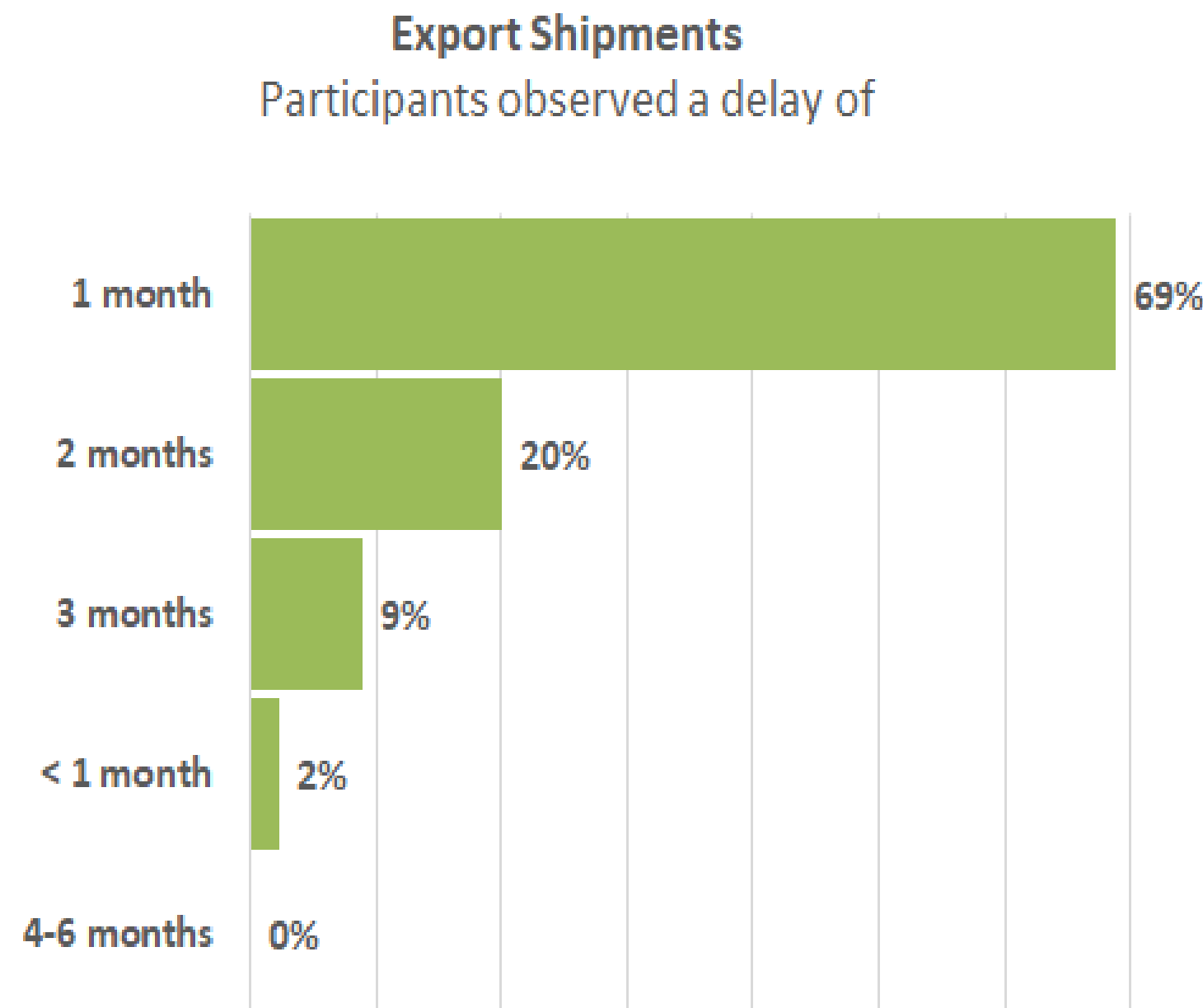
Food Retail & Online Trade

Participants expect demand 2022 vs. 2021 to



Shipments Delay

What is the average delay observed for shipments caused by the shipping crisis?



Main Costs

Which are the main costs impacting profitability throughout the supply chain?

Main Costs Ranking

Until February 2022

1. Freight rates

2. Labour

3. Raw materials, Storage and Packaging

4. Energy

5. Irrigation

6. Inflation and Currency Exchange

April 2022

1. Energy

2. Inflation and Currency Exchange

3. Freight rates

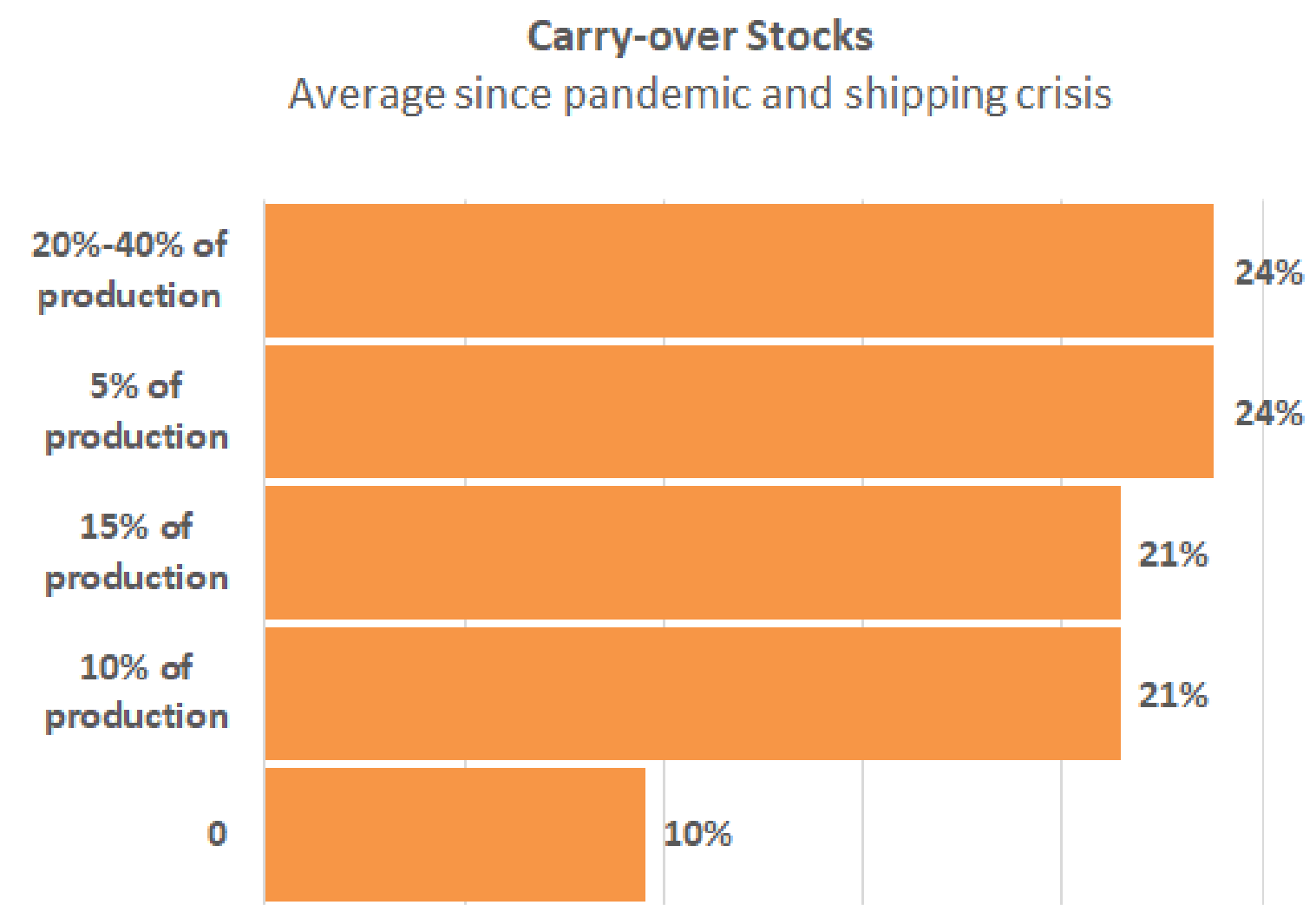
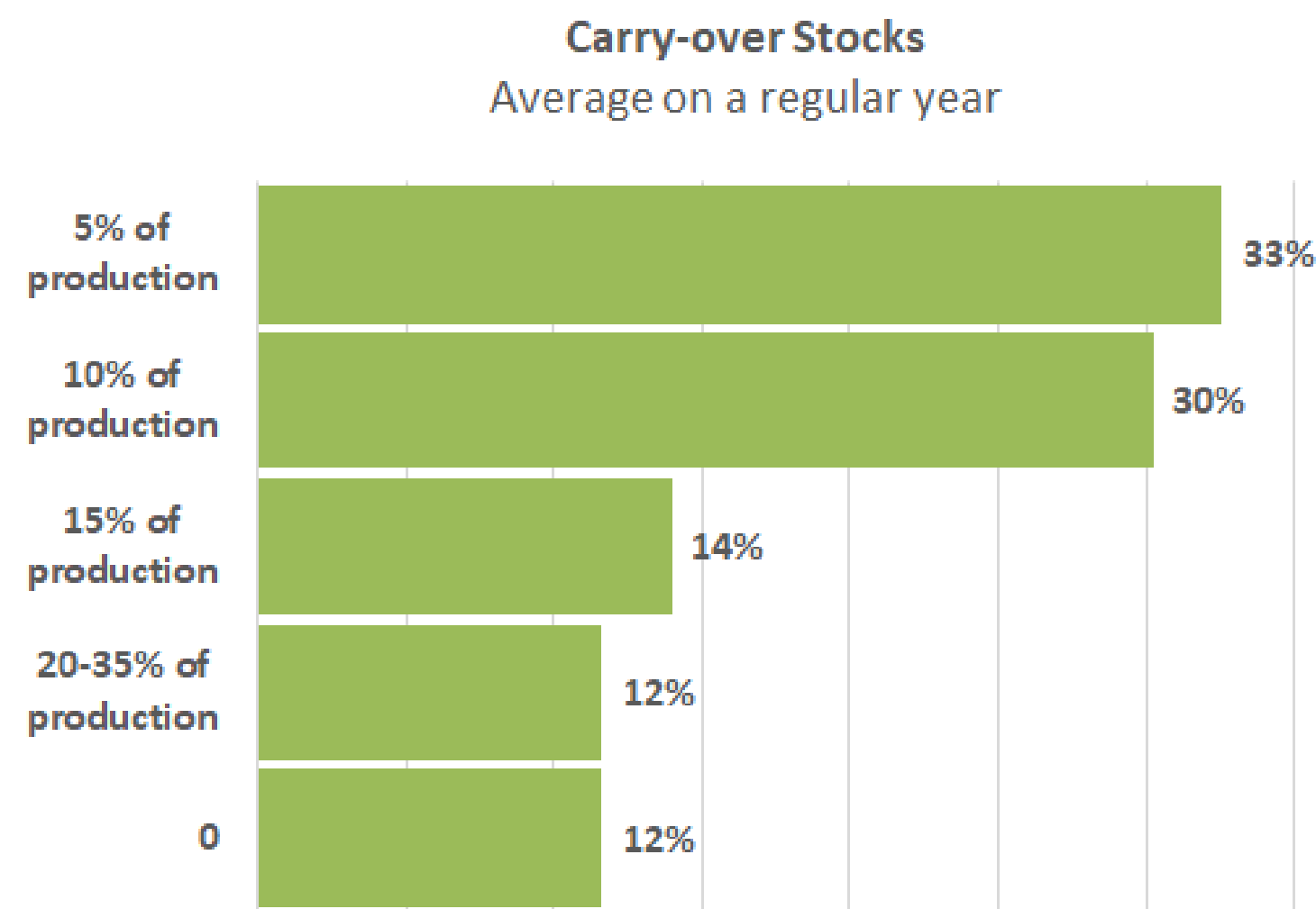
4. Labour

5. Raw materials, Storage and Packaging

6. Irrigation

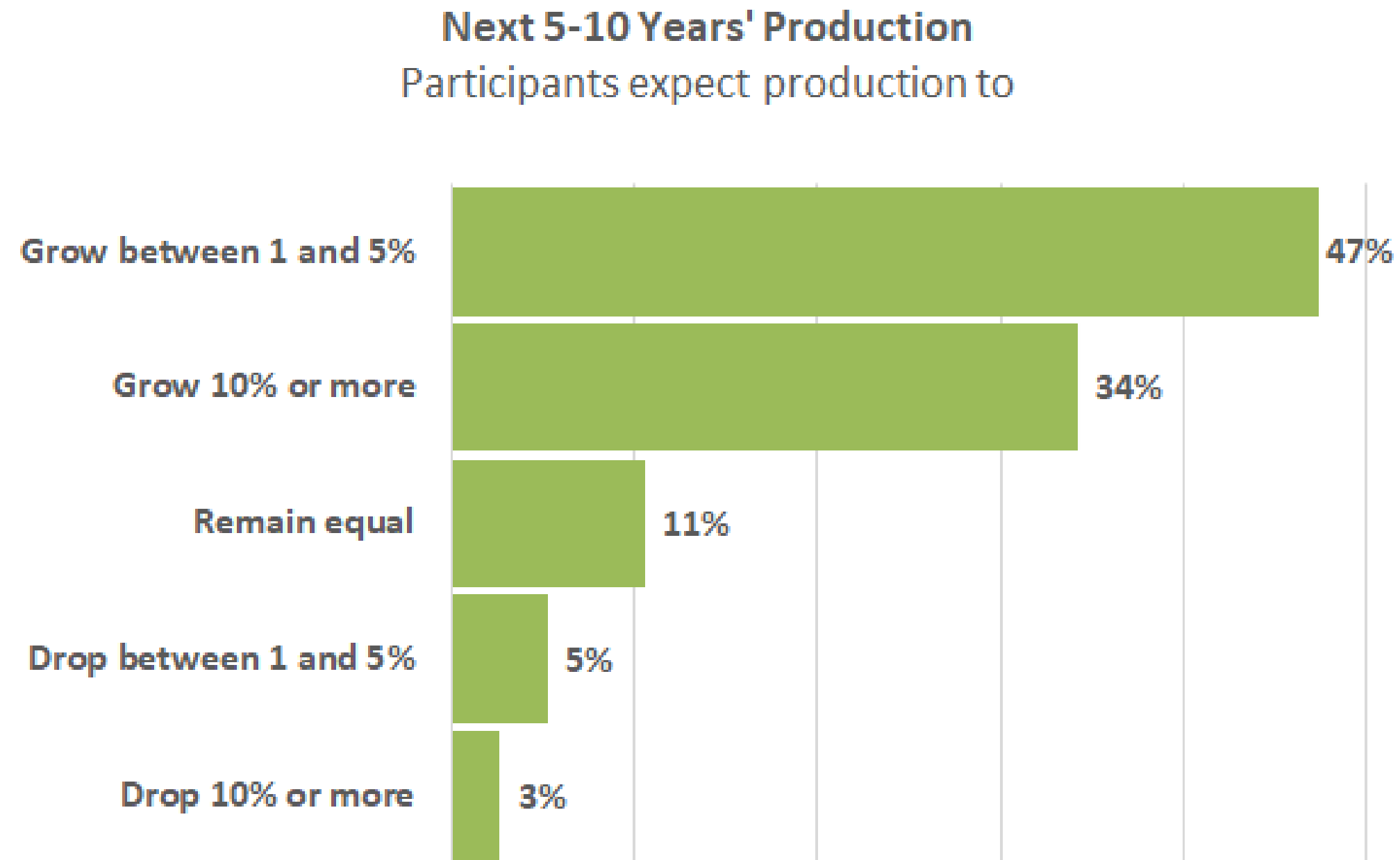
Supply

Which would be the average carry over stock on a regular year?
Which has been the average carry over stock since the pandemic and shipping crisis?



Production Next 5 to 10 Years

If you are located in a producing country, do you expect production in the next 5 to 10 years to...



Gen Z: the new consumers





USA
68.2 MILLION!

MEXICO
30 MILLION!

CHILE
2.7 MILLION!

CHINA
269.9 MILLION!

INDIA
256 MILLION!

AUSTRALIA
4.6 MILLION!

Why Gen Z?

2.47 billion **Gen Z** globally.

Gen Z will remain the **largest consumer group** through to 2030.

Become **key drivers** in the global consumer market.

Significant influencers on the **household purchasing decisions**.

Health and wellness is a key concern perfect for our product promotion.

Gen Z Nut & Dried Fruit Consumption

Ranking of Weekly Consumption Among Gen Z

% consume every day or several times a week							
	TOTAL	US	AUSTRALIA	MEXICO	CHILE	CHINA	INDIA
FRESH VEGETABLES	<div><div></div></div> 78	<div><div></div></div> 59	<div><div></div></div> 76	<div><div></div></div> 73	<div><div></div></div> 81	<div><div></div></div> 5	<div><div></div></div> 85
FRESH FRUIT	<div><div></div></div> 72	<div><div></div></div> 63	<div><div></div></div> 75	<div><div></div></div> 65	<div><div></div></div> 61	<div><div></div></div> 89	<div><div></div></div> 82
MEAT	<div><div></div></div> 65	<div><div></div></div> 64	<div><div></div></div> 77	<div><div></div></div> 69	<div><div></div></div> 55	<div><div></div></div> 85	<div><div></div></div> 37
PLANT BASED DRINKS	<div><div></div></div> 38	<div><div></div></div> 31	<div><div></div></div> 31	<div><div></div></div> 27	<div><div></div></div> 21	<div><div></div></div> 48	<div><div></div></div> 67
NUTS	<div><div></div></div> 37	<div><div></div></div> 32	<div><div></div></div> 31	<div><div></div></div> 21	<div><div></div></div> 24	<div><div></div></div> 45	<div><div></div></div> 67
READY-TO-EAT MEALS	<div><div></div></div> 35	<div><div></div></div> 44	<div><div></div></div> 24	<div><div></div></div> 15	<div><div></div></div> 8	<div><div></div></div> 50	<div><div></div></div> 71
DRIED FRUITS	<div><div></div></div> 27	<div><div></div></div> 29	<div><div></div></div> 22	<div><div></div></div> 14	<div><div></div></div> 12	<div><div></div></div> 36	<div><div></div></div> 51
FISH OR SEAFOOD	<div><div></div></div> 25	<div><div></div></div> 28	<div><div></div></div> 26	<div><div></div></div> 9	<div><div></div></div> 9	<div><div></div></div> 45	<div><div></div></div> 35

Gen Z Nut Consumption

Most consumed nuts according to country

	TOTAL	US	AUSTRALIA	MEXICO	CHILE	CHINA	INDIA
Peanut	<div><div></div><div>70</div></div>	<div><div></div><div>55</div></div>	<div><div></div><div>59</div></div>	<div><div></div><div>86</div></div>	<div><div></div><div>74</div></div>	<div><div></div><div>78</div></div>	<div><div></div><div>68</div></div>
Almond	<div><div></div><div>67</div></div>	<div><div></div><div>52</div></div>	<div><div></div><div>58</div></div>	<div><div></div><div>71</div></div>	<div><div></div><div>80</div></div>	<div><div></div><div>65</div></div>	<div><div></div><div>76</div></div>
Walnut	<div><div></div><div>55</div></div>	<div><div></div><div>31</div></div>	<div><div></div><div>40</div></div>	<div><div></div><div>55</div></div>	<div><div></div><div>83</div></div>	<div><div></div><div>62</div></div>	<div><div></div><div>60</div></div>
Pistachio	<div><div></div><div>54</div></div>	<div><div></div><div>51</div></div>	<div><div></div><div>50</div></div>	<div><div></div><div>57</div></div>	<div><div></div><div>38</div></div>	<div><div></div><div>68</div></div>	<div><div></div><div>60</div></div>
Cashew nut	<div><div></div><div>51</div></div>	<div><div></div><div>46</div></div>	<div><div></div><div>62</div></div>	<div><div></div><div>32</div></div>	<div><div></div><div>28</div></div>	<div><div></div><div>62</div></div>	<div><div></div><div>73</div></div>
Pecan	<div><div></div><div>36</div></div>	<div><div></div><div>38</div></div>	<div><div></div><div>20</div></div>	<div><div></div><div>61</div></div>	<div><div></div><div>12</div></div>	<div><div></div><div>64</div></div>	<div><div></div><div>22</div></div>
Hazelnut	<div><div></div><div>32</div></div>	<div><div></div><div>26</div></div>	<div><div></div><div>45</div></div>	<div><div></div><div>30</div></div>	<div><div></div><div>29</div></div>	<div><div></div><div>39</div></div>	<div><div></div><div>21</div></div>
Macadamia	<div><div></div><div>25</div></div>	<div><div></div><div>19</div></div>	<div><div></div><div>42</div></div>	<div><div></div><div>12</div></div>	<div><div></div><div>4</div></div>	<div><div></div><div>59</div></div>	<div><div></div><div>13</div></div>
Pine nut	<div><div></div><div>19</div></div>	<div><div></div><div>9</div></div>	<div><div></div><div>20</div></div>	<div><div></div><div>15</div></div>	<div><div></div><div>13</div></div>	<div><div></div><div>38</div></div>	<div><div></div><div>18</div></div>
Brazil nut	<div><div></div><div>16</div></div>	<div><div></div><div>13</div></div>	<div><div></div><div>16</div></div>	<div><div></div><div>10</div></div>	<div><div></div><div>5</div></div>	<div><div></div><div>34</div></div>	<div><div></div><div>22</div></div>
None of the above	<div><div></div><div>2</div></div>	<div><div></div><div>6</div></div>	<div><div></div><div>4</div></div>	<div><div></div><div>1</div></div>	<div><div></div><div>2</div></div>	<div><div></div><div>1</div></div>	

Mean of mentions

4,2

3,4

4,1

4,3

3,7

5,7

4,3

Top3 Nuts by country

Gen Z Dried Fruit Consumption

Most consumer dried fruits according to country

	TOTAL	US	AUSTRALIA	MEXICO	CHILE	CHINA	INDIA
Raisin	<div><div></div><div>62</div></div>	<div><div></div><div>49</div></div>	<div><div></div><div>49</div></div>	<div><div></div><div>65</div></div>	<div><div></div><div>59</div></div>	<div><div></div><div>80</div></div>	<div><div></div><div>68</div></div>
Dried cranberry	<div><div></div><div>38</div></div>	<div><div></div><div>36</div></div>	<div><div></div><div>30</div></div>	<div><div></div><div>66</div></div>	<div><div></div><div>20</div></div>	<div><div></div><div>49</div></div>	<div><div></div><div>26</div></div>
Date	<div><div></div><div>37</div></div>	<div><div></div><div>14</div></div>	<div><div></div><div>33</div></div>	<div><div></div><div>17</div></div>	<div><div></div><div>14</div></div>	<div><div></div><div>64</div></div>	<div><div></div><div>78</div></div>
Prune	<div><div></div><div>35</div></div>	<div><div></div><div>17</div></div>	<div><div></div><div>20</div></div>	<div><div></div><div>52</div></div>	<div><div></div><div>29</div></div>	<div><div></div><div>56</div></div>	<div><div></div><div>36</div></div>
Dried apricot	<div><div></div><div>24</div></div>	<div><div></div><div>21</div></div>	<div><div></div><div>44</div></div>	<div><div></div><div>5</div></div>	<div><div></div><div>3</div></div>	<div><div></div><div>40</div></div>	<div><div></div><div>29</div></div>
Dried fig	<div><div></div><div>19</div></div>	<div><div></div><div>10</div></div>	<div><div></div><div>12</div></div>	<div><div></div><div>14</div></div>	<div><div></div><div>17</div></div>	<div><div></div><div>27</div></div>	<div><div></div><div>34</div></div>
None of the above	<div><div></div><div>11</div></div>	<div><div></div><div>17</div></div>	<div><div></div><div>15</div></div>	<div><div></div><div>7</div></div>	<div><div></div><div>26</div></div>	<div><div></div><div>2</div></div>	

Mean of mentions

2,1

1,5

1,9

2,2

1,4

3,2

2,7

Top3 Dried Fruit by country



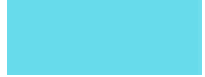













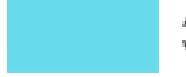






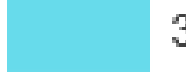




















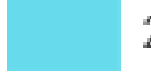






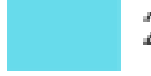


















Moments to Consume Nuts & Dried Fruits

When Gen Z consume nuts and dried fruits the most

	TOTAL	US	AUSTRALIA	MEXICO	CHILE	CHINA	INDIA
Breakfast	<div><div></div>33</div>	<div><div></div>33</div>	<div><div></div>29</div>	<div><div></div>28</div>	<div><div></div>39</div>	<div><div></div>24</div>	<div><div></div>48</div>
Midmorning	<div><div></div>37</div>	<div><div></div>27</div>	<div><div></div>34</div>	<div><div></div>31</div>	<div><div></div>35</div>	<div><div></div>37</div>	<div><div></div>55</div>
Lunch	<div><div></div>18</div>	<div><div></div>31</div>	<div><div></div>22</div>	<div><div></div>19</div>	<div><div></div>8</div>	<div><div></div>18</div>	<div><div></div>14</div>
Afternoon snack	<div><div></div>54</div>	<div><div></div>59</div>	<div><div></div>71</div>	<div><div></div>38</div>	<div><div></div>51</div>	<div><div></div>78</div>	<div><div></div>28</div>
Dinner	<div><div></div>13</div>	<div><div></div>15</div>	<div><div></div>9</div>	<div><div></div>11</div>	<div><div></div>7</div>	<div><div></div>22</div>	<div><div></div>16</div>
Between meals	<div><div></div>35</div>	<div><div></div>31</div>	<div><div></div>40</div>	<div><div></div>31</div>	<div><div></div>36</div>	<div><div></div>19</div>	<div><div></div>12</div>
Other occasions	<div><div></div>2</div>	<div><div></div>2</div>	<div><div></div>1</div>	<div><div></div>1</div>	<div><div></div>3</div>	<div><div></div>1</div>	

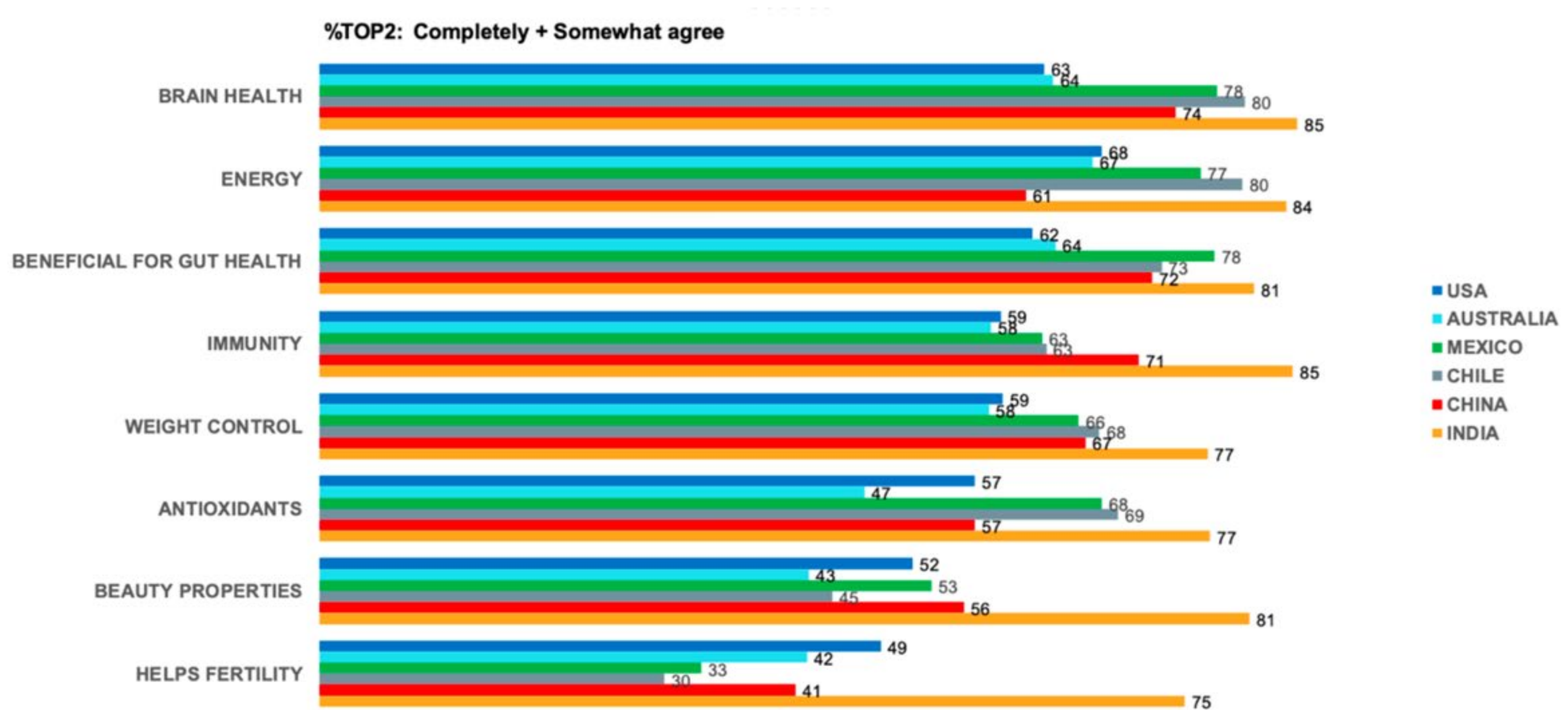
Moments to Consume Nuts & Dried Fruits

How Gen Z consume nuts and dried fruits the most

	TOTAL	US	AUSTRALIA	MEXICO	CHILE	CHINA	INDIA
RAW	 53	 42	 45	 53	 54	 68	 58
AS AN INGREDIENT IN BAKERY/ DESSERT RECIPES	 43	 37	 36	 49	 44	 38	 52
MIXED WITH FRUIT	 41	 35	 35	 49	 32	 52	 46
MIXED WITH YOGURT	 41	 34	 33	 53	 42	 50	 33
AS A TOPPING IN SALADS	 29	 34	 28	 40	 14	 22	 39
AS A TOPPING ON ICE CREAM	 28	 31	 21	 26	 22	 27	 44
TOASTED	 28	 28	 26	 30	 22	 21	 42
AS AN INGREDIENT IN RECIPES WITH VEGETABLES	 26	 29	 26	 24	 16	 21	 42
AS AN INGREDIENT IN SAUCES	 20	 26	 24	 15	 11	 14	 28
AS AN INGREDIENT IN RECIPES WITH MEAT, FISH OR SEAFOOD	 19	 24	 22	 21	 7	 12	 27

Associated Health Benefits of Nuts & Dried Fruits

What Gen Z perceive as the top health benefits for nuts and dried fruits



Gen Z Key Findings

Nuts and dried fruits are:

Mostly associated with **brain & intestinal health and energy**

Consumed **raw as an afternoon snack**

Real food vs. sustainability

The **main barrier** is **the price**

Enjoy great awareness **especially in China and India**

Multiyear Dissemination Campaign



Multiyear Dissemination Plan

Existing Global Dissemination Plan to Run in **mature markets**

Multi-year dissemination plan to be country specific

China, India and **LATAM** identified as the first three areas

China will be the starting point



269.9 MILLION!

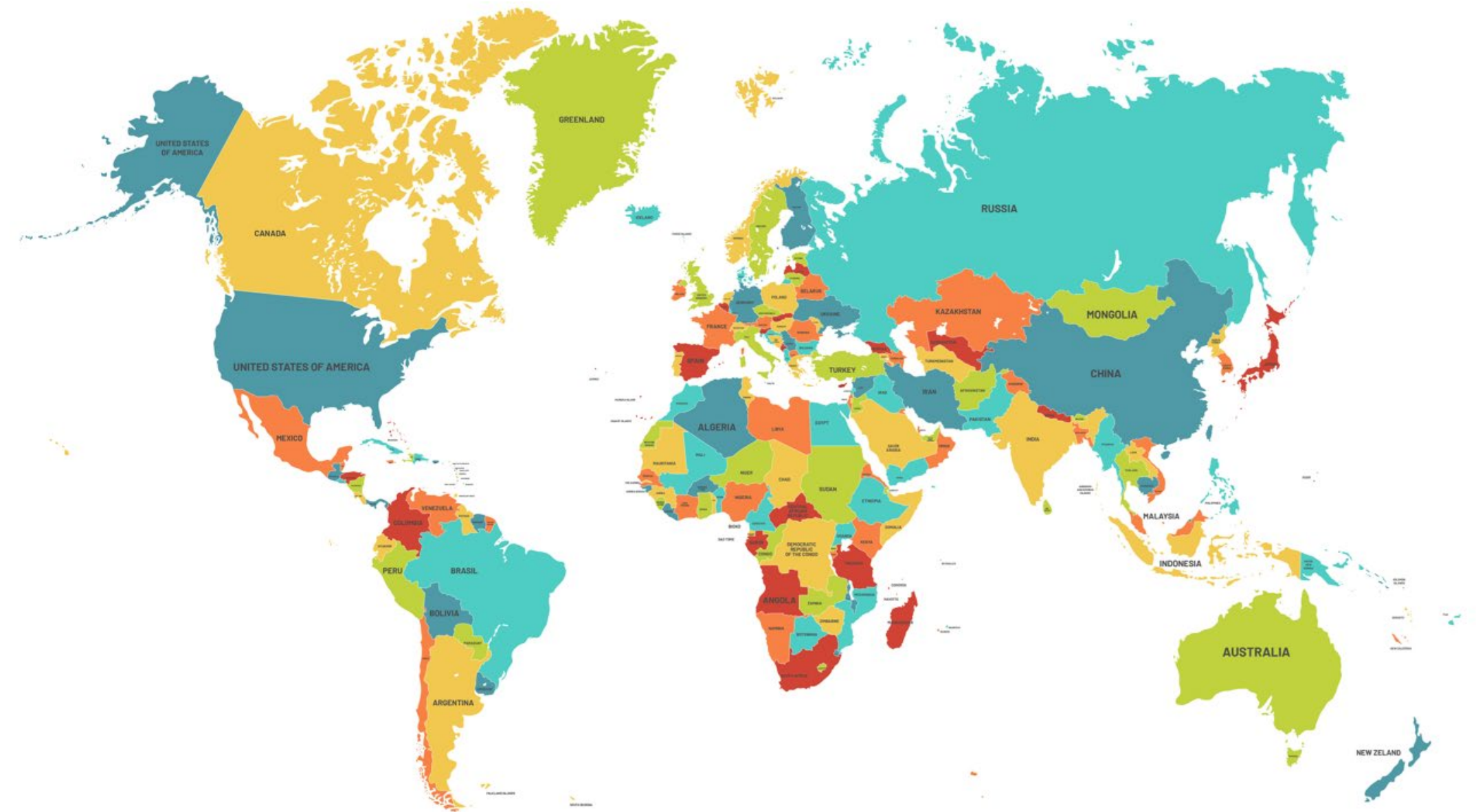
Why Gen Z in China?

Gen Z = **269.9 million** people

90% heavy snack consumers

Gen Z Spend **50%** more than other Chinese consumers

€7,300 of disposable income per year



- US Population: 332.4 Million
- EU Population: 447.7 Million
- LATAM Population: 664.3 Million

Barriers to Overcome

%Top2:completely+ a lot		CHINA
	TOO EXPENSIVE	48
	I DON'T REMEMBER TO EAT THEM	34
	I DON'T KNOW HOW TO COMBINE THEM	26
	I ONLY EAT THEM ON SPECIAL OCCASIONS OR WITH SPECIAL RECIPES/ PREPARATIONS	21
	THEY CAN BE TRICKY TO EAT THEM (E.G., SHELLS, THEY GET STUCK IN MY TEETH, ETC.)	40
	I DON'T LIKE THE FLAVOR	27
	I DON'T LIKE THE TEXTURE	19
	I THINK IT'S BORING TO EAT THEM	14
	TOO MANY CALORIES	36
	THEY'RE NOT AVAILABLE WHERE I SHOP	19

Message Focus

	CHINA
RAW	68
AS AN INGREDIENT IN BAKERY/ DESSERT RECIPES	38
MIXED WITH FRUIT	52
MIXED WITH YOGURT	50
AS A TOPPING IN SALADS	22
AS A TOPPING ON ICE CREAM	27
TOASTED	21
AS AN INGREDIENT IN RECIPES WITH VEGETABLES	21
AS AN INGREDIENT IN SAUCES	14
AS AN INGREDIENT IN RECIPES WITH MEAT, FISH OR SEAFOOD	12

Satisfy food craving / self-treat

Great opportunity: Desserts and bakery are very popular

Daily consumption integration

Great opportunity to focus the message on these aspects

	CHINA
Breakfast	24
Midmorning	37
Lunch	18
Afternoon snack	78
Dinner	22
Between meals	19
Other occasions	1

Consumption integration to solidify as an afternoon snack and opportunity to increase consumption in other areas

Global Collaboration



Summary

INC works tirelessly to stimulate worldwide consumption of nuts and dried fruits, but the industry needs to come together as a whole to achieve full global reach.

The industry expects the **demand will grow** in 2022.

With **2.47 billion** Gen Z globally, they have been identified as a top market to tap into to increase demand as they will be some of the key players in the consumer market until 2030.

With nearly a **quarter of their population** being Gen Z (269.9 million) China is the INC's next key market to move into with its Multiyear dissemination plan.

The industry **must** unite to tackle the issue of over supply.

