



Plum Good News

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2008/09 CROP YEAR

The Prune Marketing Committee (PMC) unanimously approved a 2008 crop estimate of 120,000 natural condition tons at its June 26, 2008 meeting. This would be 3% above the average production of the past five years and 49% above last year's 80,583 ton crop. This estimate is based on the California Agricultural Statistics Service (CASS) projection, but early harvest experience indicates the crop may be somewhat larger than 120,000 tons. All prune tonnage will be considered salable, since no mandatory undersized regulation will be in effect.

California prune inventories as of July 31, 2007 were reported by handlers to be 34,151 tons, a 60% decrease from last year's carryin. The total 2008 California prune supply is projected at 154,151 natural condition tons, which would represent an 8% decrease from last year.

The CASS 2008 forecast for bearing acreage was unchanged from the prior two years at 65,000 acres. Non-bearing acreage for 2007 was 7,500 acres, which was also unchanged.

The CDPB nursery survey projects 2008 prune tree sales at 384,360, down 11% from 2007's 432,000 trees. Nursery sales of prune trees are projected to increase by 24% in 2009 to 475,000 trees.

PRUNE MARKETING COMMITTEE

2008/09 PMC Assessment Rate

A handler assessment rate of \$.30 per ton (down from \$.60 in 2007/08) on the estimated tonnage of 120,000 tons was recommended by the PMC for approval by USDA. This would generate 2008/09 revenues of \$36,000 and, when combined with a \$15,487 2007/08 carryover, would leave a projected reserve for contingencies of \$12,446 after budgeted expenses of \$39,141.

Assessments in 2008/09 for both the PMC and CDPB will again be based on the following guidelines:

- Assessments must be paid on all prune tonnage received by processors, including undersized prunes, even if producers are not being paid for such undersized fruit

- Assessments do not apply to trash such as dirt, twigs, leaves, and brown rot
- For any lot inspected by the DFA of California, the assessable tonnage will be total pounds certified less the trash removed. For lots not inspected by the DFA of California, assessments must be paid on the total tonnage of prunes received unless the processor can provide written verification of trash removed.

CALIFORNIA DRIED PLUM BOARD

2008/09 CDPB Assessment Rate

A total assessment rate of \$40.00 per ton (unchanged from 2007/08) was approved at the June 26, 2008 CDPB meeting. A grower assessment rate of \$25.00 per ton and a handler assessment rate of \$15.00 per ton were also approved. Total income of \$7,628,524 is projected versus budgeted expenses of \$6,190,153 leaving a \$657,580 reserve for contingencies and a \$780,791 credit-back reserve. The assessment rates will be applied to the total tonnage delivered by growers to processors, since the entire crop will be salable next year.

2008/09 CDPB Budget	
Administration	\$500,598
Operating Expenses	198,755
Consulting Services	125,000
Research Coordinator	90,000
Production Research	285,000
Crop Forecast	5,000
Advertising	0
Nutrition Research	250,000
Public Relations	810,500
Industrial Marketing	306,000
In-House Marketing	45,000
Sampling	44,000
Export Marketing	1,456,000
CDFA Charges	56,300
Generic MAP funding	2,018,000
Credit-Back Reserve	780,791
Reserve for Contingencies	657,580
TOTAL	\$7,628,524

Prune Processor Credit-Back Program

The credit-back for market promotion program successfully launched two years ago will continue for 2008/09 with no changes in the program parameters.

Processor Reporting Requirements

The CDPB approved the following required processor report for 2008/09:

- July 31, 2008 inventory carryover for California prunes by IPA sizes *
 - 2008/09 production by IPA sizes *
 - Prune production by county
 - Prune acreage by county
 - 2008/09 domestic and export shipments by quarter
 - Names and addresses for all prune growers.
- * IPA sizes are as follows:

<u>Count Per Pound</u>
60 and larger
61 to 80
81 to 100
100 and smaller

DOMESTIC MARKETING PROGRAM

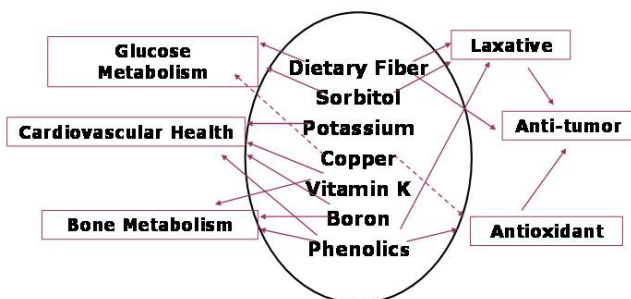
Consumer Public Relations

2008/09 marks the fifth year of the California Dried Plum Board's public relations program designed to position California Dried Plums as the #1 fruit for digestive health. A 2006 survey revealed that 60% of health professionals recommend California Dried Plums to patients with digestive health problems or concerns.

The last two years, more emphasis has been placed on building consumer awareness among our 25 – 54 year old female target audience that California Dried Plums are the #1 fruit for digestive health. More than 50% of women surveyed in 2007 were aware of California Dried Plums' digestive health benefits.

In 2008/09 the CDPB will educate its target audience that California Dried Plums are a "superfruit" due to their unique plant nutrients that offer benefits beyond digestive health as shown below.

CALIFORNIA DRIED PLUMS HEALTH BENEFITS



California Dried Plums are more available and affordable than other superfruits including pomegranates, acai and goji berries.

2008/09 Goal: Build demand for California Dried Plums

Strategies:

- Keep the momentum of the digestive health campaign growing since this continues to be a critical consumer concern.
- Position California Dried Plums as the everyday superfruit that is familiar and affordable since superfruit status will generate media attention.

The primary spokesperson will be Dave Grotto, dietitian and author of "101 Foods That Could Save Your Life". Dave is scientific advisor for Fitness and Men's Health magazines.



Dave Grotto

The CDPB's news bureau will generate media coverage with targeted news angles based on key nutrition and health trends including:

- Digestive Health – A wellness issue
- Superfruit – Future of food and health
- Beauty Food – Fruits are the new cosmetics
- Stealth Nutrition – Super ingredient
- Kids' Nutrition – Healthy snack ideas for parents

The CDPB will expand its outreach to health and nutrition professionals through exhibiting and sponsoring symposiums at national conferences like the American Academy of Family Physicians (September 18 – 20, 2008 in San Diego) and the American Dietetic Association (October 26 – 28, 2008 in Chicago). A new brochure highlighting California Dried Plums as a superfruit will be distributed at these events.

The Tummywise website (www.Tummywise.com) will be expanded from a resource for consumers interested in learning about digestive health to include a section for health and nutritional professionals.



A partnership with WebMD, one of the most popular consumer health information sites will enable the CDPB to reach consumers seeking digestive health information and drive traffic to Tummywise.com. In

January, WebMD will promote a quiz themed “Do Your Snacks Promote Good Digestion?” Visitors will be prompted to visit Tummywise.com where they can enter a sweepstakes celebrating California Dried Plum Digestive Health Month.

Nutrition Research

The California Dried Plum Board sponsors nutrition research to discover, characterize and/or quantify nutrient and non-nutrient components and health promoting functions of dried plums/products. The Nutrition Research Program works directly with scientists at major research institutions to develop the objective research database to support credible consumer public relations programs and marketing efforts.

Nutrition research seeks to discover the presence, bioavailability, quantity and functions of phytonutrients (mainly phenolic compounds) in dried plums and dried plum products, and to discover new or expanded roles for established nutrients such as potassium, carbohydrates, dietary fiber and sorbitol.

Previously funded projects to be reported or concluded during 2008/09:

- “Oral and dental health benefits of dried plums,” Dr. Christine Wu, University of Illinois, Chicago.
- “Dried plum reverses bone loss in postmenopausal women, Dr. Bahram H. Arjmandi, Florida State University (USDA funded clinical study with several measurements of oxidative stress funded by the Board).
- “Plum juice is effective in mitigating cognitive deficits in aged rats,” Drs. James Joseph and Barbara Shukitt-Hale, USDA Human Nutrition Research Center on Aging at Tufts University to submit manuscript.
- “Dried plums for promotion of satiety, weight management practices and a healthful diet,” Mark Kern, PhD, RD, San Diego State University, to prepare manuscript.
- “Investigation of dried plums in the treatment of adults with constipation,” Satish Rao, MD, University of Iowa, to submit final report.
- “Short and mid-term effects of prunes on satiety in normal weight individuals,” Antonis Zampelas, PhD, Agricultural University of Athens, to submit manuscript.

- “Alterations in immune function with dietary supplementation of dried plums: Implications in obesity and type II diabetes,” Brenda J. Smith, PhD, Oklahoma State University, to submit report.

Industrial Program

The 2008/09 Industrial Program continues to pursue industrial applications in many different food categories including meat products, baked goods, confections, snack/energy bars and sauces. Such a wide array of applications is possible due to the many benefits and available forms of dried plums.

The big opportunity for dried plums is the food processor problem of profitability and margin return resulting from increased food costs, limited shelf life and shelf stability. As more foods and snacks are fully or partially prepared in either shelf-stable or perishable forms, controlling ingredient costs and maintaining quality over extended periods-of-time are critical.

Sandwiches have been selected as the way to best focus the shelf life benefits of dried plums. The sandwich in a myriad of forms is now the most popular entrée at breakfast, lunch and dinner, both at home and away from home.



Magazine Ad

Many of the properties of dried plums that contribute nutritional benefits also directly impact on food product shelf life and shelf stability of key sandwich components. The antioxidants in dried plums suppress the normal growth of bacteria that impacts the shelf life of refrigerated meat products. Similarly, these same antioxidants minimize the effects of warmed-over flavor on pre-cooked meats. Dried plums' fiber and sorbitol help maintain moisture in meat, bakery and many snack products. Dried plums' organic acids retard mold development in baked goods while also improving the flavor of reduced-fat bakery products.

Experience with several dried and fresh plum ingredients last year revealed that lower value meat cuts that were often ground and used in burgers or sausages could, in fact, be tenderized and made more moist through the addition of a small amount of dried plums. The result was the ability of the meat and poultry processor to sell these cuts as whole muscle at higher prices and improved profit margins.

Targets

The decision-making process in the food industry takes place at many management levels including R&D, Product Development, Research Chefs, Menu Development (chain restaurants) and Marketing.

Positioning

Focus dried plum benefits on naturally extending product shelf life and shelf stability on primary sandwich components:

- Processed meat and poultry products with an emphasis on underutilized proteins
- Baked goods (fresh and frozen)
- Sauces, marinades, rubs and condiments

Food product shelf life can be shortened due to many causes including: bacteria growth, mold development, moisture loss, warmed-over flavor, staling and flavor loss. Adding value to underutilized proteins is an effective way to improve processor, retailer and foodservice operator profitability. To increase the impact of these messages the economic benefits when using dried plums must be quantified.

Objectives

- Increase awareness of dried plums as a natural, innovative way to extend processed food product shelf life and extend the value of underutilized meat cuts.
- Demonstrate dried plums' ingredient effectiveness.
- Achieve adoption of dried plums in existing and new products.

Strategies

- Communicate functional benefits to the target audience by focusing on the three primary components of sandwiches: proteins, breads, sauces and condiments.
- Use existing and new evidence as proof of dried plums' performance.
- Support California dried plum packer industrial sales and marketing activities.

Tactics

- Continue advertising in Food Product Design magazine (12 insertions) and Culinology magazine (4 insertions). Prepare one new ad featuring underutilized proteins treated with dried plums.
- Participate in important food industry trade shows including the Institute of Food Technologists

(IFT) in Anaheim (6/7-6/9/09), Research Chefs Association (RCA) in Dallas (3/5-3/9) and the National Meat Association in Las Vegas (2/22-2/25/09).

- Complete a research study at Texas A&M University to substantiate shelf life and economic claims for dried plum powder when supplemented with rosemary extract.
- Communicate the benefits of dried plums and applications via publicity releases and the California Dried Plum Board website.

Export Market Development

The Comprehensive Industry Strategic Plan (CISP) identified export marketing as the #1 opportunity for the California prune industry, since the export market accounts for about 50% of annual industry shipments and offers more growth opportunities than the domestic market.

The USDA's Foreign Agricultural Service's (FAS) Market Access Program (MAP) funding has been unchanged the past three years at \$200 million and will remain at that level through the duration of the recently approved 2008 Farm Bill. However, the CDPB recently learned that its 2008/09 MAP allocation will increase by 19% year-to-year to \$3,188,865. The additional \$ 511,000 will be directly applied to our export programs to help combat the competition from Chile by implementing activities that strongly position the California premium quality difference to our target audiences.

The USDA and the CDPB prohibit discrimination in all programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status.

The 2008/09 program will again include brand funding in established Western European markets with participating packers contributing at least 50% of the total cost of advertising and promotion for their brands.

Generic spot television advertising and publicity will be continued in Japan. POS materials will support retail promotions as we rebuild the retail market for California prunes. Trade communications will provide reasons why buyers should purchase California prunes rather than those from France or Chile.



Generic promotions will continue in China and India next year with trade communications and trade shows emphasizing the advantages of buying California prunes with consumer activities keeping our products top-of-mind with consumers through retail promotions, sampling and reminder advertising.

We will work closely with specialty retailers in the United Kingdom to arrange generic promotions tailored to their stores and customers. In-store sampling and promotions in retailer magazines and websites will support the trade still buying from California. California prunes will continue to be promoted as the official snack for England Netball. A national competition emphasizing California prunes' quality and nutritional attributes will be held and nutritionists, midwives and pregnant women/new moms will be targeted with health communications. We will continue to explore the opportunities in the high-end foodservice market.

Generic activities in Italy will promote California prunes as a healthy and versatile snack through a new leaflet that will also be inserted in popular women's magazines. We will continue the very popular electric car roadshow at major sporting events to generate sampling and publicity opportunities. Promotions and product sampling will be held in retail stores and leading spa resorts in Northern Italy. Chefs and high-end foodservice operators will be targeted with California quality and versatility in modern cuisine messages.

Generic activities in Greece will emphasize the superior quality of California prunes and their nutritional attributes. The results of the Greek satiety study will be the focal point of our health communications to nutritionists and scientific opinion leaders. Ms. Eleni Petroulaki, gym owner and media celebrity, will continue to serve as our brand ambassador.

In response to the announcement of a dramatic tightening of regulations controlling health and nutrition claims in the European Union, the CDPB responded quickly with substantiation for its desired claims. Of the 40,000 claims received, only 1,500 received preliminary approval including digestive health claims for California prunes and prune juice and a satiety claim for California prunes. These were the only claims receiving preliminary approval for any dried fruit from any origin.

In all markets, trade communications will focus on why they should "Choose California" over our foreign competitors. Quality, product safety, marketing support and customer service will be the cornerstones of this effort to regain the support lost to other countries of origin when the California supply couldn't satisfy demand.



CDPB RESEARCH PROJECTS

Following are objectives of the 2008 CDPB funded research projects. Total funding for the CDPB Production Research budget is \$300,369.

Prune Cultivar Evaluation and Development – Ted DeJong/UC Davis

1. Develop new dried plum varieties, through traditional horticultural breeding methods, with desirable characteristics.
2. Test and evaluate advanced selections resulting from the current breeding program at UC and grower locations in the Sacramento and San Joaquin Valleys. Budget: \$68,639

Plum Pox Virus Resistant “Improved French”

Plum – Ralph Scorza / USDA/ARS/ Kearneysville, WV

1. Determine the level of susceptibility of “Improved French” to PPV
2. Develop prune varieties resistant to PPV
Budget: \$46,609

Managing Bloom Timing in French Prunes –

Franz Niederholzer / UC Davis

1. Test a range of rest-breaking chemicals and surfactants to advance bloom timing, improve fruit set and advance fruit maturity/harvest date.
2. Test the Dynamic Model for assessing when to spray rest breaking agents, timing applications of rest-breaking chemicals to a sequence of accumulated chill portions.
3. Develop predictive model to help growers plan applications. Budget: \$6,570

Affect of Mechanical Pruning on Prune Production Economics – Bill Krueger/ UC Sutter County

1. Determine the affect of different pruning/ hedging combinations on net grower income/acre over 3+ years.
2. Measure light interception under trees treated with pruning/hedging combinations to understand factors affecting yield. Budget \$6,040

Preliminary Studies into the Use of Rubidium as a Potassium Tracer in Prunes – Franz Niederholzer / UC Sutter County

1. Test rubidium as a tool to measure relative root system activity under prune trees
2. Evaluate the possibility of using a ratio of potassium to rubidium as a way of labeling tree potassium content. Budget: \$3,250

Biological Control of Mealy Plum Aphid - Nick Mills/UC Berkeley

1. Expand testing of the impact of potential insecticides, for use in fall or early spring treatments of aphids, on mummies and adults of *Aphidius transcaspicus*.
2. Continue to field release and monitor differences in strains of *Aphidius transcaspicus* in prune orchards and Phragmites beds. Budget: \$17,281

Epidemiology and Management of Brown Rot and Rust of Prune – Development of an Integrated Program with New Fungicides and Optimal Timing – Jim Adaskaveg / UC Riverside

1. Evaluate the efficacy of new fungicides representing different chemical classes in field trials.
2. Conduct epidemiological studies with prune rust.
3. Monitor Monilinia spp populations obtained from decaying fruit for their in vitro sensitivities against fungicides. Budget \$20,500

Environmentally Sound Dried Plum Farming Practices – Franz Niederholzer/UC Sutter County

1. Evaluate recently registered pesticides effective in fall sprays for aphid control.
2. Monitor scale and PTB populations in fall sprayed blocks. Budget: \$5,070

Integrated Prune Farming Practices (IPFP) – Gary Obenauf

1. Provide support for revision of the “Prune Orchard Management” manual.
2. Explore possibilities of additional grant funding for IPFP activities.
3. Support UC activity to help reduce the impact of lost UC positions. Budget: \$20,000

Registration of Pesticides – Gary Obenauf

Reserved for registration of new materials or re-registration of existing materials needed by the California prune industry. Budget: \$10,000

Pesticide Monitoring on Prune Trees – Gary Obenauf

1. Monitor prune trees during normal application timing of herbicides to rice, corn, tomatoes and cotton.
2. Determine the symptoms and corresponding residues of an ALS herbicide. Budget: \$52,760

Food Safety of California Prunes – Gary Obenauf

1. Determine the potential risk of prunes causing foodborne illness.
2. Develop data to limit impact of potential reported illness. Budget: \$41,400

Minor Crop Farmer Alliance. Membership in a national organization to help educate EPA, USDA and others about the special needs of minor crops like prunes. Budget: \$5,000

Pesticide Policy Coalition. Membership in a forum consisting of chemical manufacturers, agricultural organizations and food processors for issues associated with the implementation of the Food Quality Protection Act (FQPA). Budget: \$500

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