



Annual Report

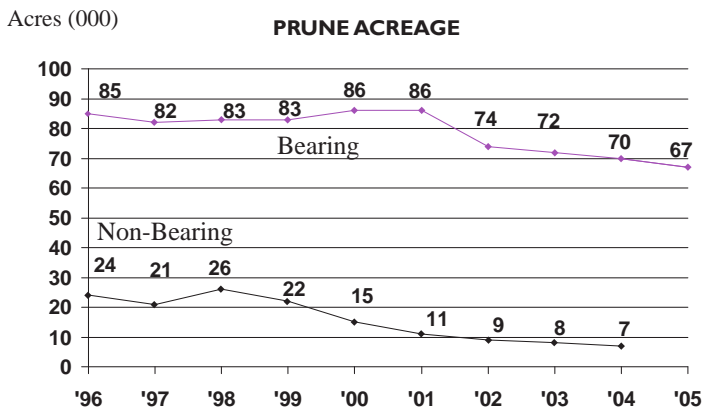
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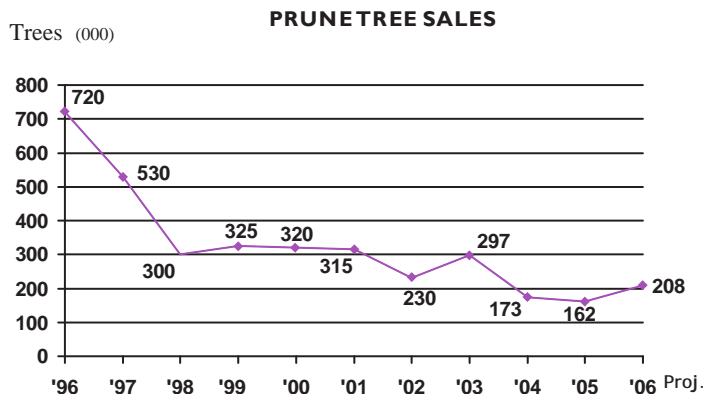
This Annual Report was developed in accordance with the Agricultural Marketing Act of 1937 to provide you with a summary of California Dried Plum Board activities for the 2004/05 marketing year. Special recognition should go to the members and alternates of the Board and Committee shown on page 8 and the various subcommittees who have devoted many hours to California prune industry matters during the course of the year.

PRODUCTION AND SUPPLY

Bearing prune acreage continued to decline by 2,000 acres in 2004 to 70,000 acres and an additional 3,000 acres in 2005 to only 67,000 acres, the lowest total in over 20 years. Non-bearing acreage declined by 1,000 acres in 2004 to only 7,000 acres.

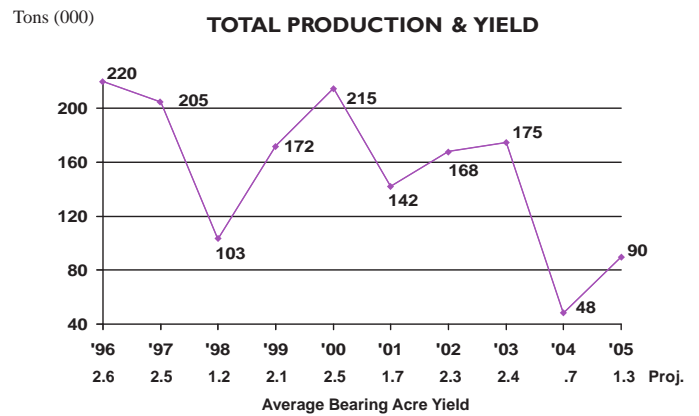


Prune tree sales reported by nurseries decreased by 6% in 2005 to 162,000 trees, which is well below the historical replacement level of 250,000 trees and the lowest sales since this survey began in 1990. The projection for 2006 sales was 208,000 trees which would represent a 28% increase.



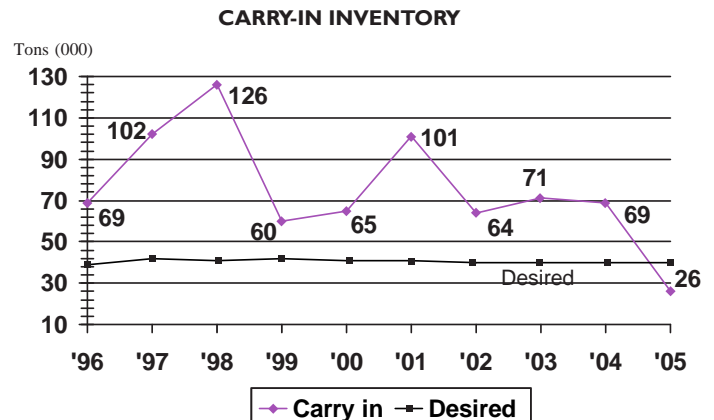
2004 prune production fell to 47,828 tons, the smallest crop in 86 years due to a weather-related drop in yield to only .7 ton per bearing acre. The 2005 crop is projected by packers to reach 90,000 tons which would still be 48% smaller than the pre-2004 5-year average. The 23-Screen undersize content and trash totaled 432 tons or .9% of total production in 2004.

The North Sacramento Valley (Butte, Glenn, Shasta and Tehama) accounted for 49% of statewide production, up from 33% in 2003. The South Sacramento Valley plummeted from 48% to only 34%. San Joaquin Valley production dropped from 19% to 16%.



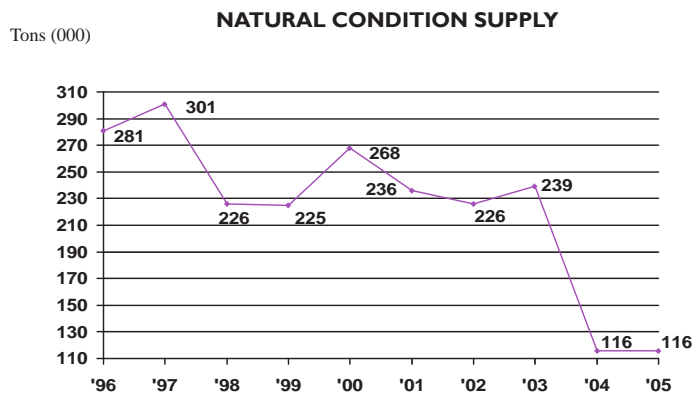
The average size count in 2004 was 58 compared to 73 in 2003. Average sizes by region were 55 in the South Sacramento Valley, 59 in the North Sacramento Valley and 60 in the San Joaquin Valley.

The 2004 carry-in of 68,833 tons was 3% smaller than the 2003 carry-in but 165% larger than the 25,931 ton 2005 carry-in.

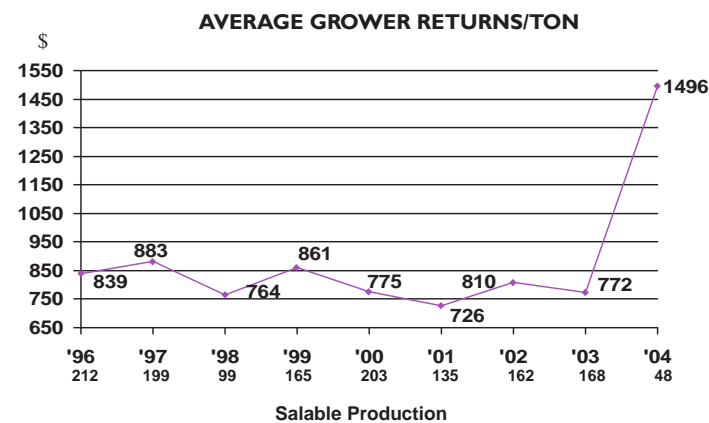




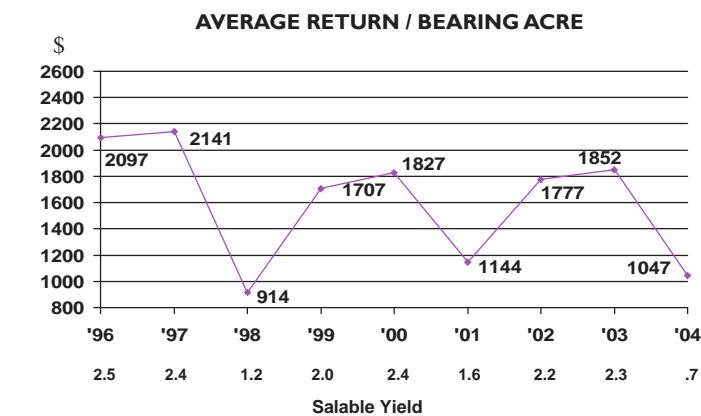
When combined with 2004 marketable production of 47,395 tons, the total supply was 116,228 tons which was 49% smaller than the 2003 supply and about the same as the projected 2005 supply.



The average grower return per ton increased by 94% to \$1,496 per ton for 2004 according to the California Agricultural Statistics Service. This was 90% higher than the previous 5-year average.

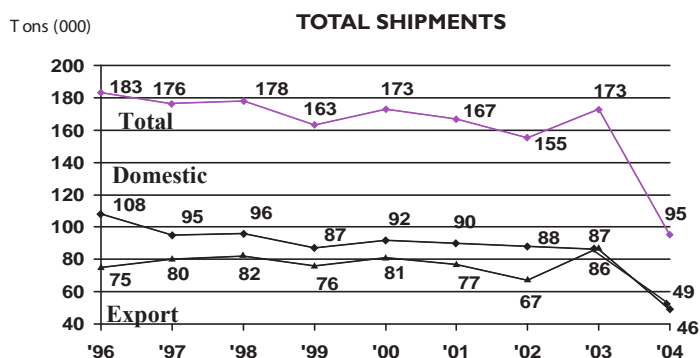


The average return per bearing acre dropped by 43% in 2004 to \$1,047 despite the high return per bearing acre because of the poor .7 ton yield per acre

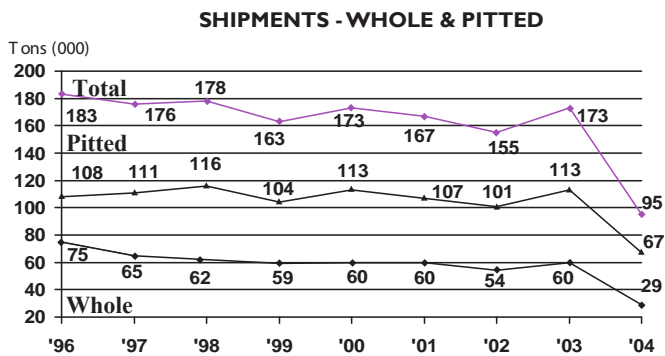


SHIPMENTS

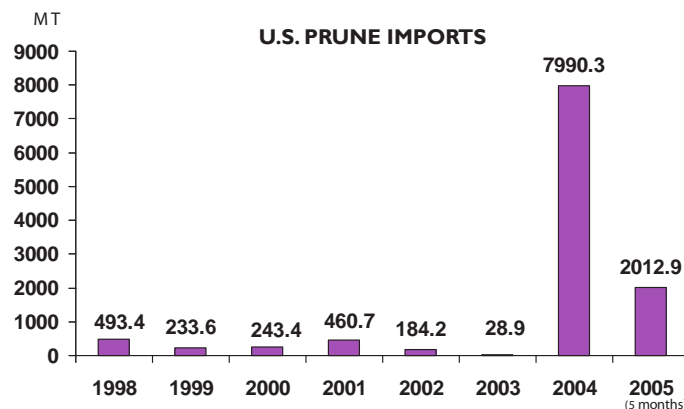
Total 2004 shipments of 95,060 processed condition tons were 45% below 2003 shipments because of the very limited inventory availability and higher prices. Domestic shipments declined by 44% while exports declined by 46%. Exports as a percent of total shipments declined by 1.3 points to 48.8%.



Shipments of pitted prunes decreased by 41% year-to-year while shipments of other prune products declined by 52%. Pitted prune shipments as a percent of total shipments increased by nearly 5 points to 70%. Pitted prune shipments accounted for 75% of exports and 65% of domestic shipments.

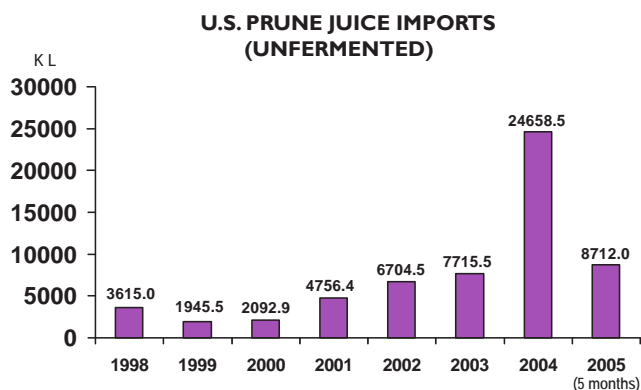


The limited availability of California prunes caused US prune imports (excluding prunes in brine) to jump from 28.9 metric tons in 2003 to 7,990.3 MT (8,800 short tons) in 2004. Through the first four month of 2005, 1,740 MT have been imported from France, Argentina and Chile.





Imports of unfermented prune juice (including prune concentrate converted to single strength juice) increased by 220% last year to 24,659 kiloliters (the equivalent of about 8,800 short tons of prunes). For the first four months this year 6,233 KL (about 2,200 short tons) has been imported from Chile, France, Germany and Belgium/Luxembourg.



DOMESTIC MARKETING

Public Relations

The public relations focus in the U.S. continued to be on positioning dried plums as the #1 fruit for digestive health due to their sorbitol, fiber, antioxidants and potassium. This positioning extends beyond consumers' traditional association of prunes with laxation to encompass lifestyle and well-being.

Consumer public relations activities targeted generally healthy women who rely heavily on processed, ready-to-eat/prepared foods for themselves and their families, who are motivated by wellness and diet prone.

Our communication goals were to:

- Increase Digestive Health Awareness
- Expand "Core" digestive health understanding
- Position dried plums as essential to digestive health

Activities in 2004/05 were concentrated on elevating the digestive health knowledge of gastroenterologists and getting the professional community to discuss digestive health openly. The first step was to develop a literature review of trends in digestive health research to identify influential researchers and institutions to build the body of science. The University of California at Los Angeles' School of Human Nutrition was selected to conduct the review.

UCLA also collaborated with the Board on a Digestive Health Summit in San Diego on March 31, 2005 which brought together the leaders in the fields of digestive health and nutrition. This Summit emphasized the role of diet (including dried plums) in promoting good digestive health.

After the Summit, the Board launched the Digestive



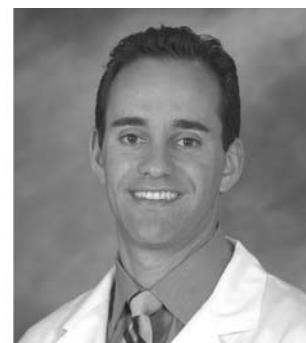
DIGESTIVE HEALTH ORGANIZATION

Health Organization (DHO), a "virtual" on-line organization dedicated to sharing knowledge about digestive health. While primarily designed for health professionals, the site is also accessible to consumers at www.digestivehealthorg.com.

The year concluded with a national survey to learn how consumers define gastrointestinal health, what the key attributes are and what their level of GI knowledge is. The survey results were then used on the DHO web site and to develop press materials.

Nutrition Research

Activities of the Nutrition Research Program supported a renewed emphasis on digestive health. An annotated bibliography on digestive health research was compiled by the UCLA Center for Human Nutrition under the guidance of Leo Treyzon, MD, who helped facilitate the March 31, 2005 Digestive Health Summit, "Defining the Digestive Health Diet: The Role of Fiber, Phytonutrients and other Dietary Factors. Board Nutrition Advisory Panel (NAP) members Dan Gallaher and Phyllis Bowen made presentations during the Summit.



Dr. Treyzon

The yearly meeting of the Nutrition Advisory Panel was held in conjunction with the Digestive Health Summit. At that time, the NAP recommended that a white paper on dried plums and laxation be developed for health professionals. Dr. Treyzon was invited to join the Nutrition Advisory Panel (NAP), and the Digestive Health Organization (DHO) Advisory Board.

Research projects carried over into 2004/05 were completed and reports are on file. These include:

- The effect of dried plums on brain aging in rats, James Joseph, PhD,
- The determination of the glycemic index of dried plums, prune juice and fresh plum juice, Thomas Wolever, MD, PhD

Other activities of the Nutrition Research program included:

- Monitoring proposed changes to the Women, Infants, and Children's (WIC) food packages for inclusion of



dried plums as a processed fruit choice.

- Supporting nutrition communications efforts in Consumer Public Relations to increase general awareness of digestive health as an aspect of overall health and well-being.
- Participating in a session at the annual meeting of the Institute of Food Technologists on the role of foodservice in curtailing obesity epidemic. Dried plums' functionality as a fat and carbohydrate substitute in bakery and meat applications was discussed.

Industrial/Foodservice Program



Booth Display Panel

The Board's industrial/foodservice program was focused on the use of various forms of dried plums as food ingredients. In prior years the applications focus was on baked goods and meat products. More recently this was expanded to include confections and sauces. During 2004/05 a number of new sauce recipes were developed. Research on the sugar composition of dried plums and the

dried plum glycemic index were also completed, in conjunction with the Nutrition Advisory Panel.

Specific projects in 2004/05 included:

- Two new technical bulletins on bakery and meat applications
- The completion of technical and applications research on dried plums' glycemic index and the impact on producing low carbohydrate and low glycemic index foods such as baked goods and confections
- Press releases describing multiple dried plum applications, features and benefits
- Exhibits at the Research Chefs Association convention and the Institute of Food Technologists convention.

INTERNATIONAL MARKETING

The California Dried Plum Board was granted \$2,600,000 in Market Access Program (MAP) support by USDA's Foreign Agricultural Service in 2004/05. Due to the near-record short California prune crop and resultant CDPB budget reductions, promotional activities were scaled-back in the export markets.

Japan

Due to the very tight inventory situation, short-term demand stimulation activities like spot television advertising and television publicity were curtailed. The funds were used instead to prepare for future activities through the

production of new point-of-sale materials and the development of a technical guidebook demonstrating industrial applications for California prunes in the bakery, confectionery, dairy, deli and foodservice industries. School lunch promotions encouraging the use of prunes in official school recipes were continued, since they are developing familiarity with our product among future purchasers. Consumer research was expanded to learn more about consumers' attitudes and awareness of prunes from other origins. Supermarket research and dietitian research were also conducted to track in-roads of foreign products at retail and gauge the potential for California prunes in health care facility foodservice.



Japan Poster

China

Promotional activities in China were limited to those for which commitments had been made prior to knowing how small the 2004 California prune crop would be. The Board exhibited at the National Candy and Spirit Fair in Changchun, where the trade was briefed about California prunes and the near-term supply situation. A salon for pregnant women was held in Beijing to sample our product and educate expectant moms about the nutritional benefits of California prunes.

India

As in China, promotion in India was limited to previously committed activities. Promotional support was provided for Diwali gift baskets containing California prunes during this important gift-giving festival in November. The Board also collaborated with other U.S. products on India's most popular food show "Khana-Khazana" with the result



Master Chef Sanjeev Kapoor

that Master Chef Sanjeev Kapoor devoted two episodes to recipes using California prunes. These shows were shown on India's popular television channel Zee TV which is broadcast in over 50 countries around the world.



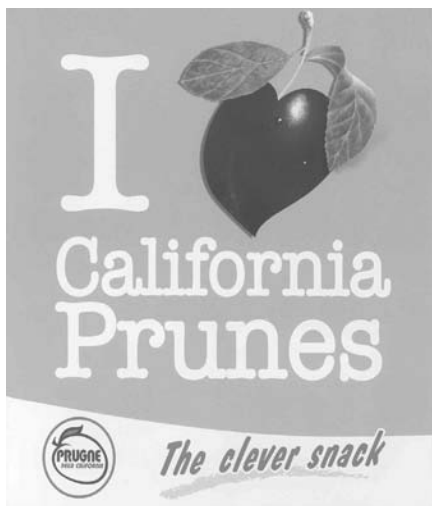
United Kingdom

“California Dreamin” was the promotional theme in the UK, with California celebrity chef Joanne Weir serving as brand ambassador for California prunes. Joanne’s media coverage included television, radio, magazine and newspaper features. A new web site www.californiaprunes.co.uk was launched with nutrition information and new recipes developed by Joanne. She also spent a day at Barnardo’s, the UK’s largest children’s charity, where she demonstrated her cooking skills in home economics classes and informed students about the nutritional attributes of California prunes. The Board was also a sponsor of the Under 21 United Kingdom Netball team which provided media coverage and prune sampling opportunities.



Chef Joanne Weir

Italy



Italian Brochure

The theme of the Board’s Italian promotional campaign was “I Love California Prunes - The Clever Snack”. Two consumer contests were held in Italy with the best slogans for California prunes and the best recipes using California prunes winning trips to California, recipe books and other

prizes. New POS materials including posters and brochures promoting the contests were offered to retailers. Radio advertising was purchased and press kits were distributed to generate consumer awareness of and participation in the contests. The Board also exhibited at the Mia Fiera trade show in Rimini.

PRODUCTION RESEARCH

The California Dried Plum Board funded a variety of production research projects in 2004/05 as well as membership in the Minor Crop Farmer Alliance and the Implementation Working Group at a total cost of \$171,855. Donald Vossler served as Chairman of the Research Subcommittee and Gary Obenauf, President of Agricultural Research Consulting, coordinated all research activities. For a report on these prune research projects, contact the Board office.

2004/05 BOARD INCOME & EXPENSES

The 2004/05 Board statement of income and expenses is shown below. These represent audited figures verified in the Board’s annual audit by Hood and Strong, Certified Public Accountants.

INCOME:

Carryover Funds	\$ 1,084,160
Production (Assessable tons only)	47,396
Assessment Rate per ton	25.00
Assessment Income	1,239,835
Misc. Income (Interest, etc.)	10,229
TOTAL INCOME:	\$ 2,334,224

EXPENSES:

Operating Expenses	\$ 177,572
Consulting Services	100,535
Crop Estimating Services	4,800
Production Research & Coordination	247,855
Public Relations	458,032
Advertising	0
Consumer Research	42,028
Sales Promotion	33,144
International Market Development	481,576
Administration	296,292

TOTAL EXPENSES : \$ 1,841,834

FUNDS CARRIED OVER : \$ 492,390

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*The California Dried Plum News is published by
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the Prune Marketing Committee (PMC)*

Tim Smith, Chairman, CDPB

H.A. (Gus) Collin, Chairman, PMC

Richard Peterson, Executive Director, CDPB & PMC



2004/05 MARKETING YEAR

CALIFORNIA DRIED PLUM BOARD

PRUNE MARKETING COMMITTEE

DISTRICT/

AFFILIATION

MEMBERS

ALTERNATES

PRODUCERS

1	Vern Vereschagin	Keith Larrabee (c) (d)
2	Ron Giovannetti	W.C. "Buzz" Sowden
3	Jaswant Bains	Neill Mitchell (e)
4	Ken Lindauer	Al Lengtat
5	Jon Lavy	Dan Bozzo
6	Steve Danna	Ranvir Singh
7	Chris Steggall	Lucille Demetriff (g)
Co-op	Gus Collin	Bob Amarel, Jr.
Co-op	Ren Fairbanks	Jill Cenedella
Co-op	Brendon Flynn (h)	Joe Turkovich
Co-op	Bob Kolberg	Phil Filter
Co-op	Hans Smith	John Rehermann
Co-op	Tim Smith (a) (c)	Vacant
Co-op	Donald Vossler (b)	Vacant

PROCESSORS

Co-op	Arthur Driscoll (c)	Harold Upton
Co-op	Dane Lance	Steve Riccardelli
Co-op	Harold Schenker (c)	Mark Dalrymple
Co-op	Gary Thiara (c)	Bruce Norton
Independent	Mark Mariani (c)	George Sousa, Jr.
Independent	Ron Sandage (i)	David Mazzola (j)
Independent	Kent Mannee	Rick Wilbur (c)

PUBLIC MEMBER

Karen Berke

Michele McCormick

MEMBERS

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PRODUCERS

Vern Vereschagin	Keith Larrabee (c)
Ron Giovannetti	W.C. "Buzz" Sowden
Neill Mitchell (f)	Vacant
Ken Lindauer (b)	Dorothy Lindauer
Jon Lavy	Dan Bozzo
Steve Danna	Ranvir Singh
Lucille Demetriff	Dwayne Cardoza
Gus Collin (a) (c)	Bob Amarel, Jr.
Ren Fairbanks	Jill Cenedella
Brendon Flynn (h)	Joe Turkovich
Bob Kolberg	Phil Filter
Hans Smith	John Rehermann
Tim Smith	Vacant
Donald Vossler	Vacant

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Harold Schenker (c)	Dane Lance
Gary Thiara (c)	Steve Riccardelli
Mark Mariani (c)	George Sousa, Jr.
Ron Sandage (i)	David Mazzola (j)
Rick Wilbur (c)	Kent Mannee

PUBLIC MEMBER

Karen Berke

Michele McCormick

(a) Chairman, (b) Vice Chairman, (c) Executive Committee Member, (d) Replaced Stan Lester, (e) Replaced Sureena Bains,

(f) Replaced Joginder Bains, (g) Replaced Jeff Jue, (h) Replaced Jane Flynn, (i) Replaced Dick Onyett and (j) Replaced Toru Matsushima.