



Plum Good News

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2006/07 CROP YEAR

The Prune Marketing Committee (PMC) unanimously approved a 2006 crop estimate of 145,000 natural condition tons at its June 29, 2006 meeting. This would be 15% higher than the average production of the past five years and 56% higher than last year's 93,212 ton weather-reduced crop. This estimate is based on the California Agricultural Statistics Service (CASS) projection. All prune tonnage will be considered salable, since no undersized regulation will be in effect.

California prune inventories as of July 31, 2006 were reported by handlers to be 22,140 tons, a 15% decrease from last year's carryin. Also reported were inventories of non-California sourced prunes totaling about 3,000 tons. The total 2006 California prune supply is projected at 167,140 natural condition tons, which would represent a 40% increase from last year.

The CASS 2006 forecast for bearing acreage was unchanged from 2005 at 67,000 acres. Non-bearing acreage for 2005 was 7,500 acres which would represent a 500 acre decline from 2003. No estimate was available for 2004, since the California Dried Plum Board (CDPB) did not fund a statewide acreage survey that year.

The CDPB nursery survey projects 2006 prune tree sales at 270,000, up 67% from 2005's 162,000 trees. Nursery sales of prune trees are projected to increase by 20% in 2007 to about 324,000 trees.

PRUNE MARKETING COMMITTEE

2006/07 PMC Assessment Rate

A handler assessment rate of \$.40 per ton (down from \$.65 in 2005/06) on the estimated tonnage of 145,000 tons was recommended by the PMC for approval by USDA. This would generate 2006/07 revenues of \$58,000 and, when combined with a \$19,215 2005/06 carryover, would leave a projected reserve for contingencies of \$13,165 after budgeted expenses of \$64,050.

Assessments in 2006/07 for both the PMC and CDPB will 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

2006/07 CDPB Assessment Rate

A total assessment rate of \$34.00 per ton (up from \$32.00 per ton in 2005/06) was approved at the June 29, 2006 CDPB meeting. A grower assessment rate of \$22.00 per ton and a handler assessment rate of \$12.00 per ton were also approved. Total income of \$7,760,356 is projected versus budgeted expenses of \$5,875,200 leaving a \$915,423 reserve for contingencies. The assessment rates will be applied to the total tonnage delivered by growers to processors, since the entire crop will be salable next year.

2006/07 CDPB Budget

Administration	\$436,200
Operating Expenses	185,000
Consulting Services	125,000
Research Coordinator	80,000
Production Research	135,000
Acreage Survey/Crop Forecast	32,000
Advertising	0
Nutrition Research	200,000
Public Relations	830,000
Foodservice/Food Tech	264,000
In-House Marketing	70,000
Sampling	15,000
Export Marketing	1,215,000
CDFA Charges	52,000
Generic MAP funding	2,236,000
Credit-Back Reserve	915,423
Contingency Reserve	969,733
TOTAL	\$7,760,356

Prune Processor Credit-Back Program

A new industry program for 2006/07 that is designed to stimulate increased promotional spending by California prune processors is credit-back for market promotion. This type of program has been successfully used in the California almond and raisin industries.

The program's objective is to effectively promote the sale, use and consumption of California dried plums/prunes. This voluntary program allows processors to conduct and submit eligible marketing activities in return for credit up to their total amount of processor assessments that fund generic CDPB promotion activities. Processors must spend \$2.00 on eligible marketing activities in order to receive \$1.00 in assessment credit, so this will encourage higher processor marketing spending.

You will notice that a Credit-Back Reserve was established in the preceding budget to allow for processor assessment reimbursement. For a copy of the CDPB's Credit-Back Guide, contact the office at (916) 565-6232.

Processor Reporting Requirements

The CDPB approved the following required processor reports:

- July 31, 2006 total inventory carryover for California prunes and prunes from other origins
- 2005/06 shipments broken down by the categories used in the former PMC Supply and Disposition Report (Yellow Sheet)
- 2006/07 shipments reported quarterly using the same categories
- Prune producer names and mailing addresses for marketing order communications

2006/07

DOMESTIC MARKETING PROGRAM

Consumer Public Relations

2006/07 marks the third year of the California Dried Plum Board's public relations program designed to position California Dried Plums as the #1 fruit for digestive health. The first two years were spent building a foundation of scientific knowledge, health professional endorsement and credibility for California Dried Plums' role in digestive health. In this third year, we will focus on taking the science and information directly to

consumers via news media channels with continued outreach to influencers and health professionals.

The CDPB will build awareness among consumers that California Dried Plums are the #1 fruit for digestive health since they are

- A source of sorbitol, fiber, antioxidants and potassium
- The "essential" solution for wellbeing and an active lifestyle

Our communications goals will be to

- Create and build awareness about the importance of digestive health among the target audience:
 - Women 25-54 years old (universe of 63+ million)
 - Media
 - Health Professionals
- Drive awareness that Dried Plums are the "essential" solution to digestive health
- Position the California Dried Plum Board as the number one resource for information on digestive health

1. Dramatize to Publicize - The CDPB needs to create drama in order to publicize its key messages. The media is hungry for problem/solution stories, so we will demonstrate the impact of travel on digestive health using real-life experiences of frequent travelers. These travelers are often victims of stress, poor diet (esp. lack of fiber) and dehydration, which are disruptive and debilitating to overall wellbeing.

a. Women on the Go: Frequent Travelers Program

The CDPB will partner with a nationally recognized travelers' resource to create a survey for frequent travelers to uncover the most common digestive health problems experienced on the road. The results will be publicized nationally, creating a dramatic news hook for the media - travelers' digestive health distress.



Women on the Go

2. Sell the "Essential" Solution - Consumers are looking for quick, easy fixes to solve their health problems and are interested in learning about

solutions. We will make California Dried Plums and the “Digestive Health Diet” the centerpiece of a problem/solution discussion regarding digestive health.

a. Digestive Health Spokesperson Program - Ms. Leslie Bonci, Director of Sports Nutrition at the University of Pittsburgh Medical Center, and the author of the American Dietetic Association’s *Guide to Better Digestion*, will serve as a third-party spokes-person to enhance the credibility of our messages. Leslie works extensively with athletes and helps them build and maintain good digestive health in order to achieve peak performance at home and on the road.



Leslie Bonci

b. Travelers/Fitness Enthusiasts Sampling Program - A grassroots product-sampling program will be launched to educate active adults about the digestive health benefits of California Dried Plums. The CDPB will partner with health clubs or a hotel chain to provide complimentary California Dried Plum snack packs.

3. Pump Up the Volume - We’ll pump up the volume of the Digestive Health campaign by surrounding consumers with information about digestive health and the “essential role” of dried plums through multiple media channels.

a. News Bureau Program - Working with top tier magazines and newspapers, we’ll activate a 12-month editorial calendar of proactive story ideas to keep the media pipeline filled throughout the year.

b. Opportunistic Program - The CDPB will proactively identify potential partnerships or spokespersons that align with the Digestive Health Organization’s targeted messages. The goal of this program is to build relationships and keep the CDPB abreast of emerging trends and potential spokespeople.

4. Strengthen Credibility - The CDPB will continue to strengthen its credibility by turning health professionals into ambassadors as we educate registered dietitians and nurse practitioners about

the importance of California Dried Plums in building and maintaining good digestive health.

a. Influencer Program - We will meet health professionals like dietitians and nurse practitioners on their own turf through participation at their national conferences, local meetings and in their publications. Tools for patient education will be distributed.

b. Leveraging Assets with Influencer Program - The CDPB will update both www.DigestiveHealthOrg.com and www.Tummywise.com on a quarterly basis.

Nutrition Research

The California Dried Plum Board sponsors nutrition and medical 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 on which to build credible health communications and 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 new or expanded roles for established nutrients such as potassium, carbohydrates, dietary fiber and sorbitol. Current research efforts position dried plums as the number one fruit for digestive health among the general population with a special emphasis on healthy women motivated by wellness.

The nutrition research program maintains dried plums’ role in a balanced and health-promoting diet and expands knowledge about the role of dietary fiber, sorbitol and phenolic compounds in digestive health. To achieve this, the program prospects and funds nutrition research; leverages opportunities in ongoing research funded by other institutions/organizations; maintains effective communications with the nutrition research community; monitors regulatory changes in Federal food programs for opportunities to include dried plums; supports conferences, summits, seminars, roundtables, alliances and memberships in organizations as appropriate; provides timely research-based information to nutrition educators,

health/fitness and medical practitioners, industry members and consumers.

The Nutrition Advisory Panel helps maintain the scientific integrity and credibility of the nutrition research program, evaluates current research activities, develops the research agenda, reviews proposals, assists in dissemination of research results, and helps identify key contacts to leverage research.

During 2006/07, it is anticipated that Dr. Christine Wu, University of Illinois, Chicago, will complete her study on the “Oral and dental health benefits of dried plums.” Dr. Bahram H. Arjmandi, Florida State University, will begin his USDA funded clinical trial “Dried plum reverses bone loss in postmenopausal women.” This research will include several measurements of oxidative stress funded by the Board. Dr. James Joseph, USDA Human Nutrition Research Center on Aging at Tufts University, will assess the anti-inflammatory activity of fresh plum juice in a mouse cell model through a no-cost extension of his previous work on the role of dried plums on measurements of cognitive and motor behavior in aging rats. In addition, the nutrition research program will evaluate whether the messages developed around dried plums, dietary fiber and laxation are sufficient to address the dose-response question.

New projects for 2006/07 may include proposals from researchers interested in identifying the mechanism by which dried plums influence bone health, the role of dried plums in satiety and weight management and may include proposals from the international research community.

Industrial Program

An important opportunity for the dried plum industry is that of further penetrating the industrial and foodservice channels. This was confirmed in the recent Strategic Planning Meetings. Virtually every dried fruit and nut commodity, with the exception of dried plums, derives the majority of its sales from these industrial channels. The industrial channels use dried plums as ingredients in various forms including powders, purees and juice concentrates.

The proposed 2006/07 Dried Plum Board Industrial Program continues to pursue industrial applications in many different food categories including meat products, baked goods, confections, snack/energy bars and sauces.

Our primary focus will be on the costly food processor problem of shelf life and shelf stability. As more foods and snacks are fully or partially prepared in either shelf-stable or perishable forms, maintaining quality over extended periods-of-time is critical. In fact, in 2004, unsaleable food amounted to 1.06% of all food sold in supermarkets (Grocery Manufacturers Association). This is an increase from 0.75% in 1995 when the data were first developed. Reducing unsaleable food cost and, as important, maintaining the eating quality of food is an important food industry issue.

Many of the properties of dried plums that contribute to their nutritional benefits also directly impact on food product shelf life and shelf stability. The antioxidants in dried plums suppress the normal growth bacteria that impacts on 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 to 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.

Thus, the nutritional benefits of dried plums will remain a vital communications message to the food industry. However, the ability of dried plums to naturally extend food product shelf life and stabilize the eating quality of foods for the benefit of the ultimate consumer, as well as the economic benefit of the food processor, will receive added emphasis; and, using natural dried plums results in a cleaner label, particularly for natural food claims.

The CDPB's 2006/07 goals will be to:

1. Increase awareness of dried plums as a food ingredient.
2. Demonstrate dried plums' ingredient effectiveness to extend product shelf life and shelf stability.
3. Achieve adoption of dried plums in existing and new products.

These goals will be attained by communicating dried plum product features and benefits through trade magazine advertising, publicity releases, trade shows and the CDPB website; using



Magazine Ad

existing and new evidence as proof of dried plums' performance and supporting dried plum handler industrial sales and marketing.

The industrial marketing program will be expanded next year by outsourcing dried plum powder product development, R&D, selling and servicing to a consulting chef organization. This organization will develop food/menu applications and formulas, make sales calls, refine the applications to meet target company requirements and follow-up with technical assistance.

INTERNATIONAL MARKETING

The CDPB's Market Access Program (MAP) funding allocation for 2005/06 was \$2,710,000 which represented a 4% increase from the prior year.

Due to a change in FAS' marketing year timing, the CDPB's new MAP allocation will not be announced until November 2006. In the meantime, FAS will provide "bridge" funding from August to December 2006 based on 41.7% (5 months out of 12) of 2005/06 base MAP funding. Congress has not decided whether to maintain the total MAP budget at \$200 million next year or not.

The 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 when inventories improve.

Generic spot television advertising and publicity will be reinstated as the inventory situation improves 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 promotion will continue in China and India next year where trade communications and trade shows will emphasize the advantages of buying California prunes, while consumer activities will keep our products top-of-mind with consumers through retail promotions, sampling and reminder advertising.

We will work closely with retailers in the United Kingdom to arrange generic promotions tailored to their stores and customers and begin to regain support for California prunes that had been lost to prunes

from other countries due to California's shortages. We will utilize a celebrity spokesperson and hold a national competition emphasizing California prunes' quality and nutritional attributes. In-store sampling and retailer promotions will support the trade still buying from California. We will also explore the healthy snack market in vending machines.

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 partner with an Italian charity or sporting association to generate sampling and publicity opportunities.

Generic activities in Greece will build awareness of California prunes using POS materials with strong California branding to support retail promotions. Publicity efforts will focus on women's magazines to educate readers about California prunes.

In all markets, trade communications will focus on why buyers should "Choose California" even after two very small prune crops. 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 2006 CDPB funded research projects. Total funding for the CDPB Production Research budget is \$159,436. Contact Rich Peterson or Gary Obenauf for more details on any of these projects.

Prune Cultivar Evaluation and Development/Ted DeJong/UC Davis

1. Develop new dried plum varieties, through traditional horticultural breeding methods, with the following characteristics:
 - A) Tree characteristics that reduce labor cost involved in producing dried plums.
 - B) Increased fruit quality and characteristics that increase efficiency and quality of drying and processing.
 - C) New specialty traits; with the dried product being equal or improved in quality to "Improved French", but differ in taste or color.
 - D) Tolerance/resistance to disease.
 - E) Earlier/later fruit maturity dates than "Improved French" dried plum.
2. Test and evaluate advanced selections resulting from the current breeding program at UC and



Japanese TV Commercial

grower locations in the Sacramento and San Joaquin Valleys. Budget: \$65,637

Use of the Dynamic Model and Application of Rest Breaking Agents in Prune Production/Kitren Glozer/UC Davis

1. Test the response of 'French' prune to rest-breaking chemicals to obtain improved tightness of bloom, fruit set and fruit maturing advance.
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. Budget: \$14,871

Prune Pollination and Fruit Set/Vito Polito/UC Davis

A new project to determine temperature parameters that affect each of the components of the effective pollination period (EPP) in prune flowers.

1. Generate temperature data for pollen germination and pollen tube growth for French and other prune cultivars.
2. Develop methodologies for studying ovule senescence for French prune. Budget: \$16,996

Development of a Model System for Testing Foliar Fertilizers, Adjuvants and Growth Stimulants/Patrick Brown/UC Davis

A new project to improve understanding of the use and effectiveness of foliar nutrients and stimulants to improve prune production efficiency and profitability. Budget: \$5,900

Prune Aphids: Overwintering Biology and Biological Control/Nick Mills/UC Berkeley

1. Continue estimation of the timing of termination of diapause and subsequent thermal re-quirements for egg hatch in early spring for MPA and LCPA.
2. Expand testing of the impact of a range of potential insecticides, for use in fall or early spring treatments of aphids, on mummies and emerging adults of *Aphidius transcaspicus*.
3. Continue to field release and monitor different strains of *Aphidius transcaspicus* for control of MPA, and to assay parasitoid population for virulence against California MPA. Budget: \$19,532

Affect of Mechanical Pruning on Prune Production Economics/Franz Niederholzer/UC Sutter County

A new project to determine the effect of different prune and hedging combinations on net grower income per acre. Budget: \$3,000

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: \$10,000

Reregistration of Pesticides/Gary Obenauf

Reserved for registration of new materials or re-registration of existing materials needed by the California prune industry. Budget: None, funding will be requested as needed.

Cooperative Extension Specialist Position - Establishes a reserve to fund up to 25% of the cost of a new specialist position for fruit orchard crops to replace the former UC Prune Pomologist. Budget: \$18,000

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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