



# Annual Report

No. 169

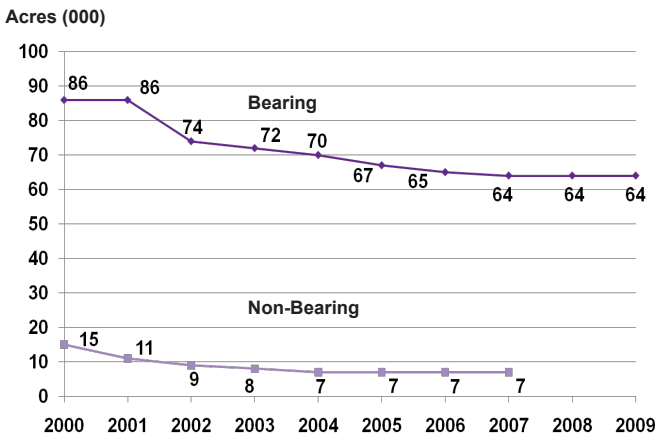
February 2010

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 2008/09 marketing year. Special recognition should go to the members and alternates of the Board and Committees shown on page 6 and the various subcommittees who have devoted many hours to California prune industry matters during the course of the year.

## PRODUCTION AND SUPPLY

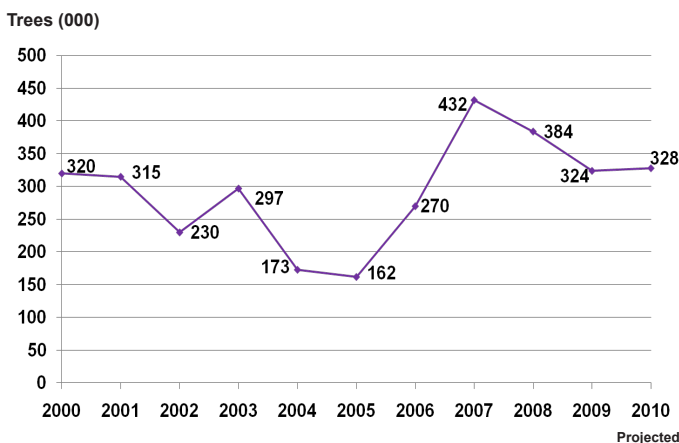
The California Agricultural Statistics Service (CASS) reported bearing prune acreage unchanged at 64,000 acres in 2009. Non-bearing acreage was last reported by CASS in 2007 as unchanged at 7,500 acres.

### Prune Acreage



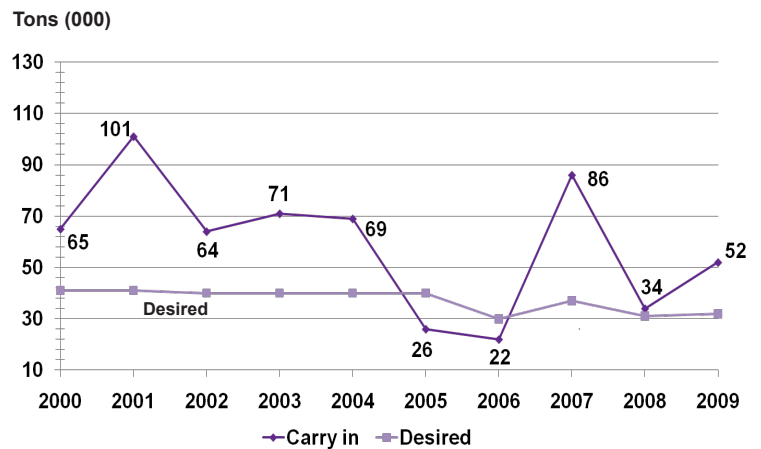
Prune tree sales reported by nurseries decreased by 16% to 324,000 trees in 2009. The projection for 2010 is 328,000 trees which would represent a 1% increase.

### Prune Tree Sales



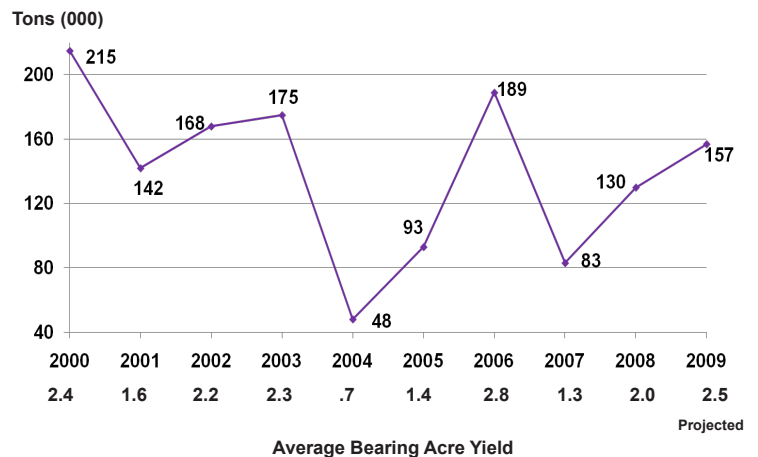
The 2008 inventory carry-in of 34,151 tons was 60% lower than the 2007 carry-in of 86,075 tons and close to the desired inventory level based upon a 12-week shipment average. The 2008 carry-in was 35% lower than the reported 2009 carry-in of 52,363 tons.

### Carry-In Inventory



2008 prune production increased by 21% to 129,668 tons with the bearing acre yield increasing from 2.0 to 2.5 dried tons per acre. The 2009 crop is projected by packers to reach about 157,000 tons which would be a 21% year-to-year increase and 45% higher than the previous 5-year average of 108,600 tons.

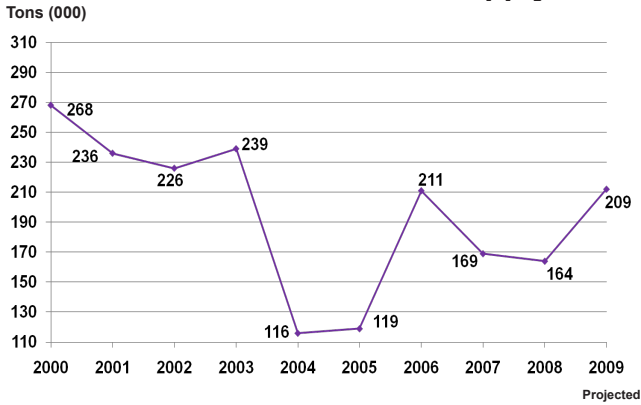
### Total Production & Yield



Combining the carry-in with 2008 production of 129,668 tons, the total supply was 163,819 tons, which was 3% lower than the 2007 supply. The projected 2009 supply of 209,373 tons would represent a 28% increase from 2008.

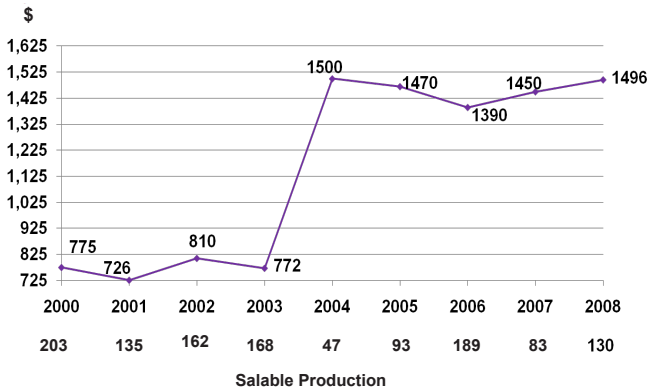


### Natural Condition Supply



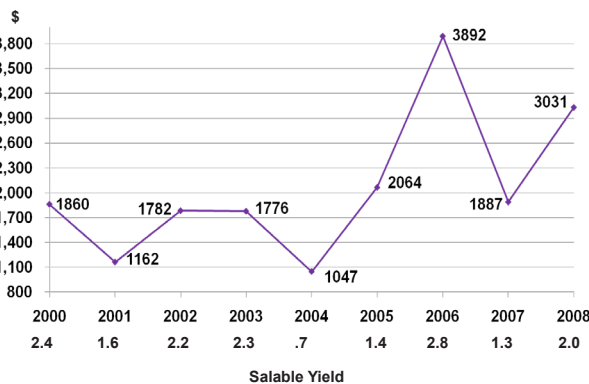
The average grower-return per ton as reported by CASS increased by 3% to \$1,496 per ton for 2008. The average price for the 2004-2008 crop years of \$1,461 was 85% higher than the previous 5-year average of \$789.

### Average Grower Returns/Ton



The average return per bearing acre increased by over 60% to \$3,031 per acre due to the dramatic increase in yield per acre and small increase in return per acre. The average return per bearing acre for the 2004-2008 crop years of \$2,384 was 43% higher than the previous 5-year average of \$1,660.

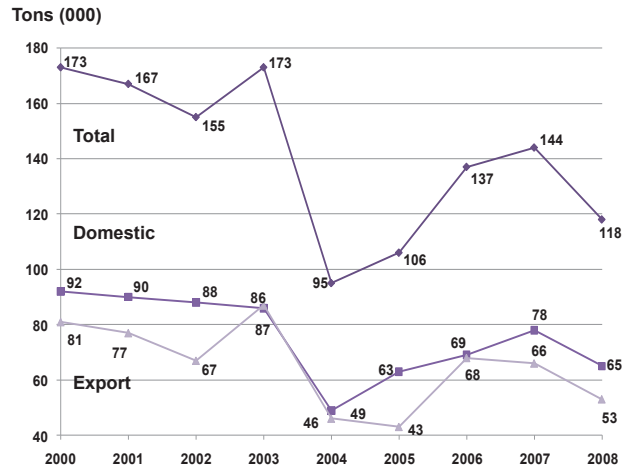
### Average Returns / Bearing Acre



### SHIPMENTS

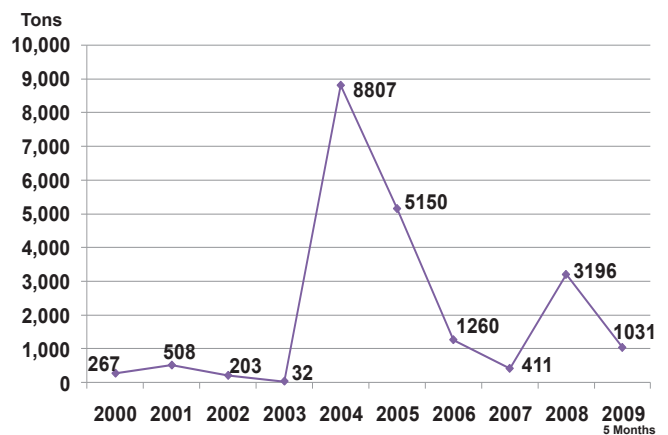
Total 2008 shipments of 117,967 processed condition tons were 18% lower than 2007 shipments. Domestic shipments declined by 16% while exports declined by 21%. Economic recession in the U.S. and in our major export markets plus continuing low-priced competition from South American suppliers were the primary reasons for the shipment declines.

### Total Shipments



Prune imports into the U.S. increased by over 678% to 3,196 tons in 2008 and have increased by an additional 680% through the first five months of the 2009 marketing year to 1,031 tons. These totals do not include prunes in brine. Virtually all imported prunes have come from Chile and Argentina.

### U.S. Prune Imports

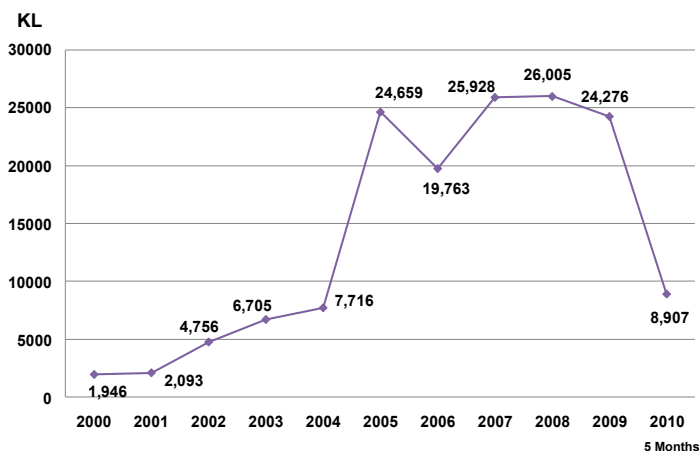


Imports of unfermented prune juice (including prune concentrate converted to single strength juice) declined by 7% in 2008 to 24,276 KL (the equivalent of about 8,639 tons of N.C. prunes). For



the first five months this year 8,907 KL (about 3,170 tons) have been imported, a decrease of 30%. Virtually all imports have been from Chile and France.

### U.S. Prune Juice Imports (Unfermented)



## DOMESTIC MARKETING

### PUBLIC RELATIONS

The public relations goal for 2008/09 was to build demand for California Dried Plums through the following strategies:

- Keep the momentum of the Digestive Health campaign growing to enhance awareness of Dried Plums as the #1 fruit for digestive health.
- Begin to position Dried Plums as the everyday “superfruit” that is familiar, affordable and the source of multiple health benefits.

Our primary target audience continued to be women 25-54 years old (universe of 63+ million) who are motivated by convenience, nutrition and wellness for themselves and their families.



**David Grotto, Spokesperson**

An expert panel of spokespersons reinforced the digestive health message while beginning to establish California Dried Plums as a superfruit. Dave Grotto, a dietitian and author of *101 Foods That Could Save Your Life* was the key spokesperson in elevating dried plums to superfruit status. Also serving as spokespersons were Leo Treyzon, MD, Leslie Bonci, RD, MPH, and Dr. Mao, PhD, DOM.

A news bureau program generated media coverage through targeted news angles like digestive health as a wellness issue, dried plums as a

superfruit, beauty foods, stealth nutrition and healthy snack ideas.

Exhibits at the American Dietetic Association conference in Chicago and the American Academy of Family Practitioners in San Diego provided opportunities for product sampling and literature distribution to dietitians, health professionals and other influencers.

The Board’s website for health professionals was merged into a new section of the consumer website [www.Tummywise.com](http://www.Tummywise.com) for greater efficiency and visibility through search engine optimization. A healthy snacking quiz was sponsored on WebMD, the most popular consumer health information website, to drive traffic to Tummywise.com.

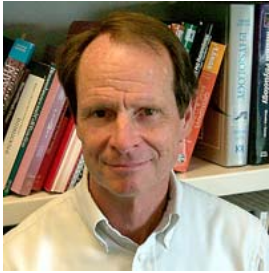
## NUTRITION RESEARCH

The Nutrition Research program discovers, characterizes and/or quantifies nutrient and non-nutrient components and health promoting functions of dried plums/products with a special emphasis on phytonutrients (phenolic compounds), potassium, carbohydrates, dietary fiber and sorbitol. The program leverages research findings through presentations at professional meetings and symposia; published manuscripts; and by providing the scientific basis for communications to health professional and consumers.

Several nutrition research presentations and publications occurred during 2008/09:

- An update on dried plum nutrition research was presented at the International Prune Association (IPA) meeting in Agen, France.
- Brenda Smith, PhD, Oklahoma State University, presented “Dietary supplementation with dried plum prevents ovariectomy-induced bone loss in C57Bl/6 and modulates the immune response” at Experimental Biology; and published “Dried plum polyphenols attenuate the detrimental effects of TNF-alpha on osteoblast function coincident with up-regulation of Runx2 Osterix and IGF-1” in the *Journal of Nutritional Biochemistry* 20(2009) 35-44.
- Dan Gallaher, PhD, University of Minnesota, published “Dried plums (prunes) reduce atherosclerosis lesion area in apolipoprotein E-deficient mice” in the *British Journal of Nutrition* 2009 (101); 233-239. A press release prepared by Ketchum on the research appeared in the December 2008 issue of *California Fresh Fruit and Raisin News*.

Research projects initiated or continued during 2008/09 included:



**Bernard Halloran, PhD**

- “Beneficial effects of dried plum and age-related osteoporosis,” Bernard Halloran, PhD, Department of Medicine, University of California and Veterans affairs Medical Center, San Francisco, CA, and Brenda Smith, PhD, Department of Nutritional Sciences, Oklahoma State University, Stillwater, OK.

- “Literature review: Dried plum composition and health,” Maria Stacewicz-Sapuntzakis, PhD, University of Illinois, Chicago (retired).
- “Dried plum reverses bone loss in postmenopausal women,” Bahram H. Arjmandi, PhD, Florida State University.
- “Investigation of dried plums in the treatment of adults with constipation,” Satish Rao, MD, University of Iowa.

Previously completed research was monitored for publication:

- “Oral and dental health benefits of dried plums,” Dr. Christine Wu, University of Illinois, Chicago.
- “Dried plums for promotion of satiety, weight management practices and a healthful diet,” Mark Kern, PhD, RD, San Diego State University.
- “Short and mid-term effects of prunes on satiety in normal weight individuals,” Antonis Zampelas, PhD, Agricultural University of Athens.

**INDUSTRIAL MARKETING PROGRAM**

While the 2008/09 Industrial Program continued to address the critical food processors’ problems of shelf life and shelf stability, emphasis shifted to processed meat and poultry products. Research had demonstrated that dried and fresh prune plum ingredients could be used to tenderize and retain more moisture in lower value meat cuts. This allows meat and poultry processors to sell these cuts as whole muscle at higher prices and improved profit margins than when these cuts were ground for use in burgers and sausages.

Program objectives:

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

Program 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 handler industrial sales and marketing activities.

California Dried Plums’ ingredient benefits were communicated through trade advertising in Food Product Design and Culinology, trade publicity releases, exhibits at the Institute of Food Technologists (IFT) show, the Research Chefs Association (RCA) conference and National Meat Association (NMA) show and on the Board’s website.

A research study was completed at Texas A&M University that substantiated shelf life and economic claims for dried plum powder when supplemented with rosemary extract.

Consulting chef Rick Perez developed new dried plum applications and presented them to interested food processors and chain restaurant executive chefs.

**INTERNATIONAL MARKETING**

The California Dried Plum Board was granted the equivalent of \$3.2 million in Market Access Program (MAP) support by USDA’s Foreign Agricultural Service in 2008/09.

The MAP program again included 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 were continued in Japan. POS materials supported in-store promotions to help rebuild the retail market for California prunes. School lunch seminars continued to educate nutritionists about how to prepare prune recipes and the nutritional attributes of California prunes.

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

We worked 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 supported the trade still buying from California. California prunes continued to be promoted as the official snack food for England Netball.



A national competition emphasizing California prunes' quality and nutritional attributes was held and nutritionists, midwives and pregnant women/new moms were targeted with health communications.

Generic activities in Italy promoted California prunes as a healthy and versatile snack through a new leaflet that was also inserted in popular women's magazines. The very popular electric car roadshow at major sporting events continued to generate sampling and publicity opportunities. Promotions and product sampling were held in retail stores and leading spa resorts in Northern Italy.

Generic activities in Greece emphasized the superior quality of California prunes and their nutritional attributes. The results of a Greek satiety study were included in health communications to nutritionists and scientific opinion leaders. Ms. Eleni Petroulaki, gym owner and media celebrity, again served 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.



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

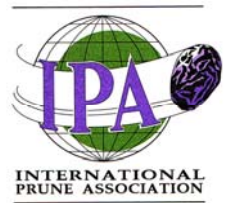
*The California Dried Plum Board is a recipient of Market Access Program (MAP) funds from USDA's Foreign Agricultural Service. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact Richard Peterson at (916) 565-6232.*

### PRODUCTION RESEARCH

The California Dried Plum Board funded a variety of production research projects in 2008/09 as well as membership in the Minor Crop Farmer Alliance and the Pesticide Policy Coalition at a total cost of \$231,462. Joe Turkovich 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.

### INTERNATIONAL PRUNE CONFERENCE TO BE HELD IN SOUTH AFRICA

The International Prune Association (IPA) will hold its next Conference in Capetown, South Africa from October 24 through 27, 2010. State of the industry reports will be given by the seven member countries as well as nutrition research and scientific reports. Visits to prune orchards, packing plants and research sites are also planned.



For more information and registration materials, visit [www.ipaprunes.org](http://www.ipaprunes.org) or contact Rich Peterson at the California Dried Plum Board at (916) 565-6232.

### 2008/09 BOARD INCOME & EXPENSES

The 2008/09 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	\$ 958,205
Production (Assessable tons only)	129,668
Assessment Rate per ton	\$ 40.00
Assessment Income	4,549,587
Misc. Income (Interest, etc.)	762
<b>TOTAL INCOME</b>	<b>\$ 5,508,554</b>

#### EXPENSES:

Operating Expenses	\$ 188,357
Consulting Services	133,394
Crop Estimating Services	5,000
Production Research & Coordination	287,910
Public Relations	1,117,874
Advertising	0
Consumer Research	175,845
Sales Promotion	93,899
International Market Development	1,480,267
Administration	497,950
<b>TOTAL EXPENSES</b>	<b>\$ 3,980,496</b>
<b>FUNDS CARRIED OVER</b>	<b>\$ 1,528,058</b>

## ADDRESS SERVICE REQUESTED

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 & the Prune Marketing Committee (PMC)*

Jon Lavy, 2008/09 Chairman, CDPB  
 Tim Smith, 2008/09 Chairman, PMC  
 Richard Peterson, Executive Director, CDPB & PMC



### 2008/09 MARKETING YEAR

#### CALIFORNIA DRIED PLUM BOARD

#### PRUNE MARKETING COMMITTEE

**DISTRICT/  
 AFFILIATION MEMBERS FLOATING ALTERNATES**

**MEMBERS ALTERNATES**

**PRODUCERS**

**PRODUCERS**

1	Vern Vereschagin	}	Keith Larrabee (c)
2	Sukhraj Pamma		Dan Bozzo
3	Neill Mitchell		Jim Edwards
4	Ken Lindauer		Gurnam Pamma
5	Jon Lavy (a) (c)		Lucille Demetriff
6	Ranvir Singh		
7	Mark Shepard		
<u>At Large</u>	Richard Conte		
Co-op	Ren Fairbanks	}	Brendon Flynn
Co-op	Bob Amarel, Jr.		Phil Filter
Co-op	Bob Kolberg		John Rehermann
Co-op	Tim Smith (c)		
Co-op	Gary Thiara (b) (c)		
Co-op	Joe Turkovich		

Keith Larrabee (c)	Vern Vereschagin
Sukhraj Pamma	Gurnam Pamma
Neill Mitchell	Gene Bains
Ken Lindauer (b)	Dilys Wohletz
Jon Lavy (a) (c)	Dan Bozzo
Ranvir Singh	Brien Smith
Mark Shepard	Jim Demetriff
Richard Conte	Jim Edwards
Ren Fairbanks	Bob Amarel, Jr.
Brendon Flynn	Phil Filter
Bob Kolberg	John Rehermann
Tim Smith (a) (c)	Paul Paulin
Gary Thiara (c)	Vacant
Joe Turkovich	Vacant

**PROCESSORS**

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Co-op	Mark Dalrymple	}	Steve Harris
Co-op	Arthur Driscoll (c)		Ana Spyres
Co-op	Dane Lance		Harold Upton
Independent	Jaswant Bains	}	Kent Mannee (c)
Independent	George Sousa, Jr. (c)		Mark Mariani
Independent	Don Soetaert		Wayne Duty (d)
Independent	Richard Wilbur III		Chris Steggall

Mark Dalrymple	Bruce Norton
Arthur Driscoll (c)	Harold Upton
Dane Lance	Steve Harris
George Sousa, Jr. (c)	Mark Mariani
Don Soetaert	Wayne Duty (d)
John Taylor	Kent Mannee (c)
Richard Wilbur III	Chris Steggall

**PUBLIC MEMBER**

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Karen Berke Shirley Humphrey

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(a) Chairman, (b) Vice Chairman, (c) Executive Committee Member (d) replaced David Mazzola