



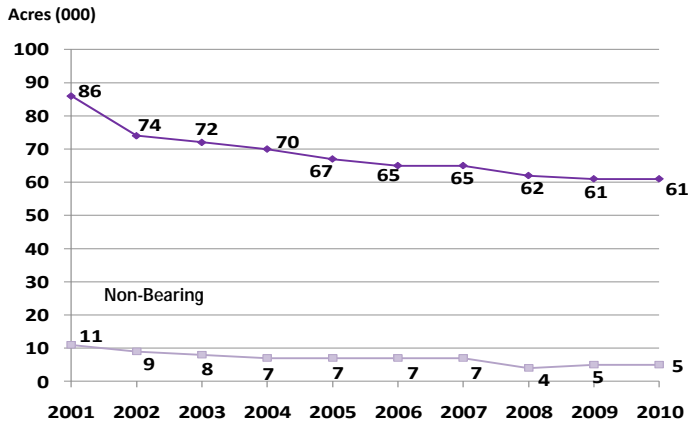
# Annual Report

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 2009/10 marketing year. Special recognition should go to the members and alternates of the Board and Committees 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

A California prune processor survey showed bearing prune acreage unchanged at 61,000 acres in 2010. Non-bearing acreage was unchanged at 5,000 acres.

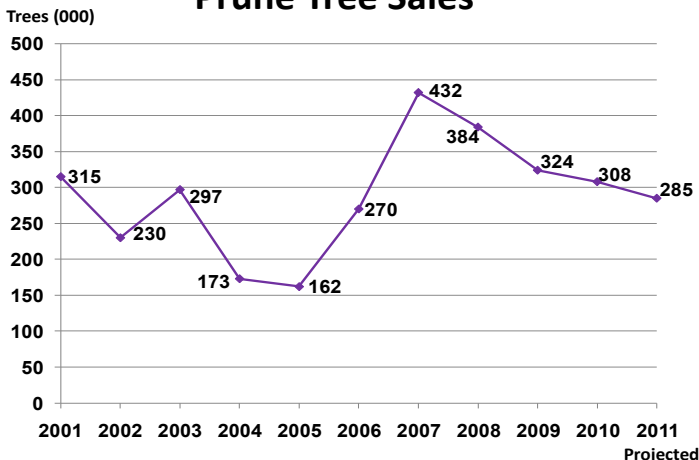
**Prune Acreage**



Sources: CASS thru 2007, Handlers 2008 on

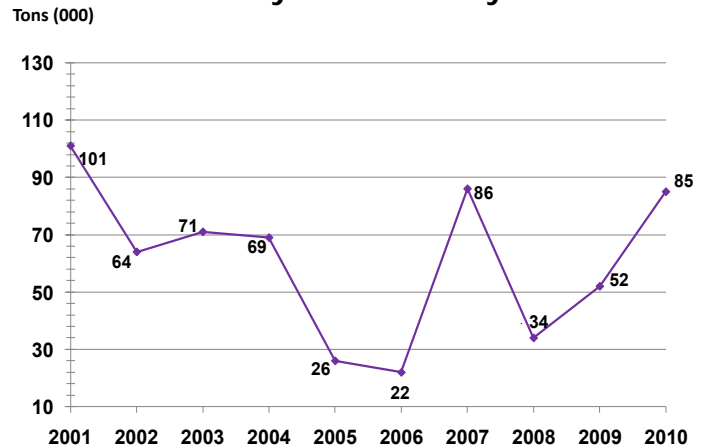
Prune tree sales reported by nurseries decreased by 5% to 308,000 trees in 2010. The projection for 2011 is 285,000 trees which would represent an 8% decrease.

**Prune Tree Sales**



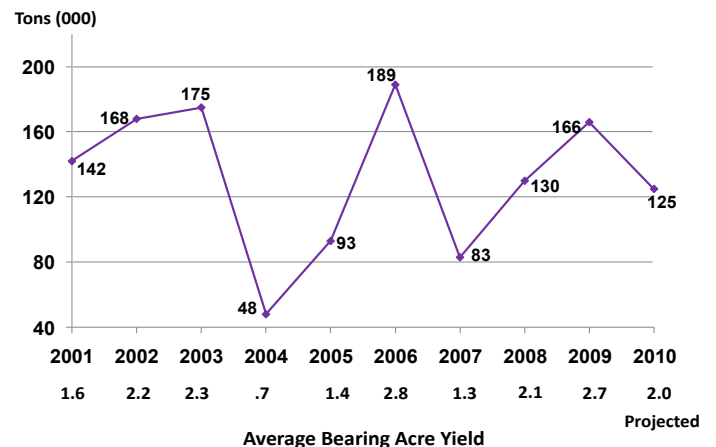
The 2010 inventory carry-in of 84,856 tons was 62% higher than the 2009 carry-in of 52,364 tons and more than double the desired inventory level based upon a 12-week shipment average.

**Carry-In Inventory**



2009 prune production increased by 28% to 166,114 tons with the bearing acre yield increasing from 2.1 to 2.7 dried tons per acre. The 2010 crop is projected by packers to reach about 125,000 tons, which would be a 25% year-to-year decline, and 5% lower than the previous 5-year average of 131,900 tons.

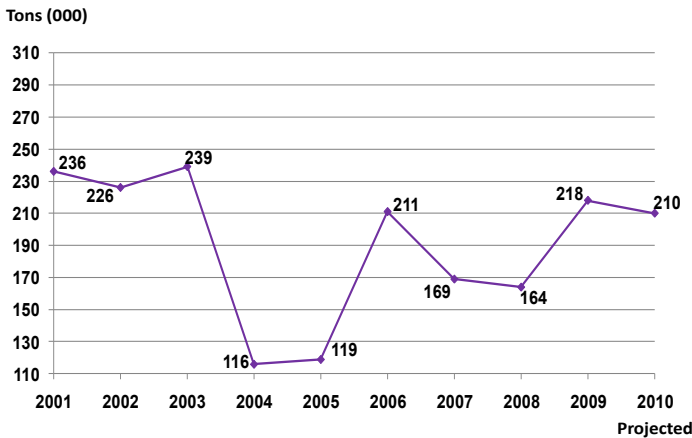
**Total Production & Yield**



Combining the carry-in with 2009 production of 166,114 tons, the total supply was 218,478 tons, which was 33% higher than the 2008 supply. The projected 2010 supply of 209,856 tons would represent a 4% decrease from 2009.

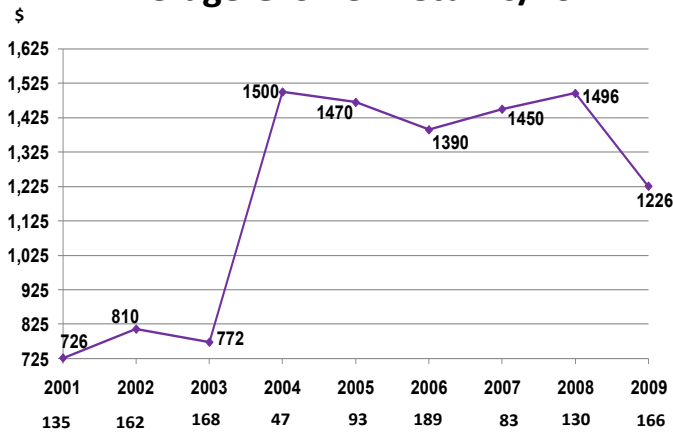


### Natural Condition Supply



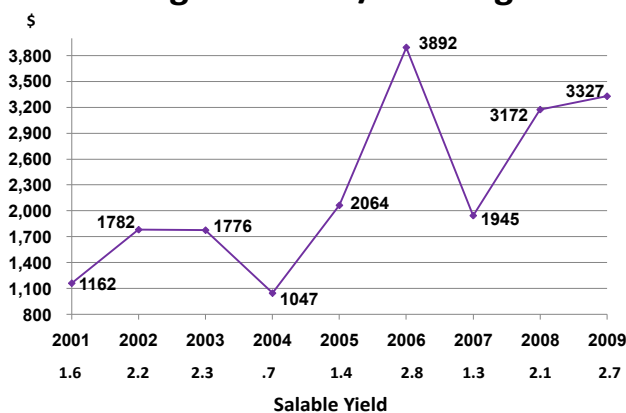
The average grower return per ton as reported by CASS decreased by 18% to \$1,226 per ton for 2009. The average price for the 2004-2009 crop years of \$1,422 was 80% higher than the previous 6-year average of \$790.

### Average Grower Returns/Ton



The average return per bearing acre increased by 5% to \$3,327 per acre due to the increase in yield per acre. The average return per bearing acre for the 2004-2009 crop years of \$2,574 was 67% higher than the previous 6-year average of \$1,536.

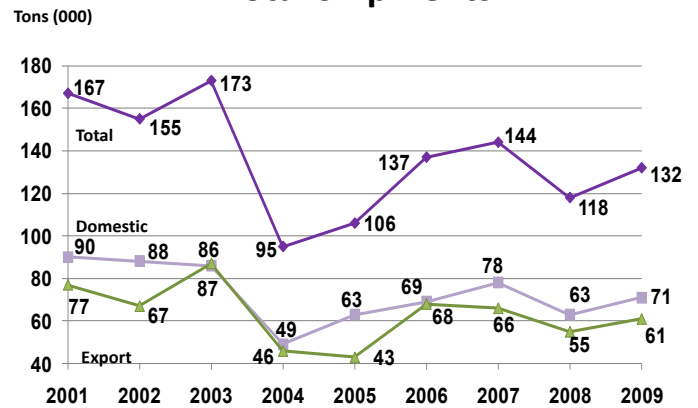
### Average Returns / Bearing Acre



### SHIPMENTS

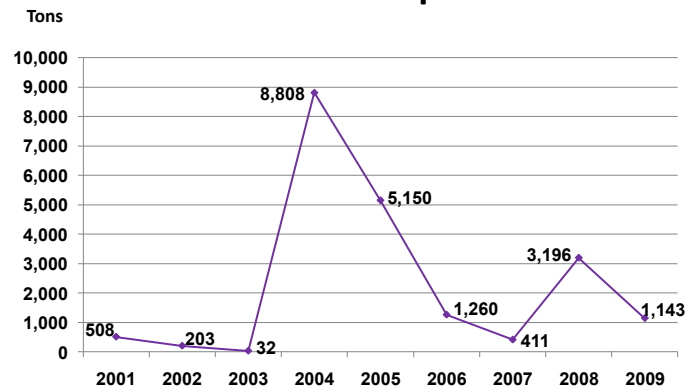
Total 2009 shipments of 132,458 processed condition tons were 12% higher than 2008 shipments. Domestic shipments increased by 13% while exports increased by 11%. Domestic and export shipments for the first quarter of the 2010 marketing year have increased by over 30% despite the economic recession in the U.S. and major export markets and continuing low-priced South American competition.

### Total Shipments



Prune imports into the U.S. decreased by 64% to 1,143 tons in 2009 and have decreased by an additional 77% through the first five months of the 2010 marketing year to only 235 tons. These totals do not include prunes in brine. Virtually all imported prunes have come from Chile and Iran.

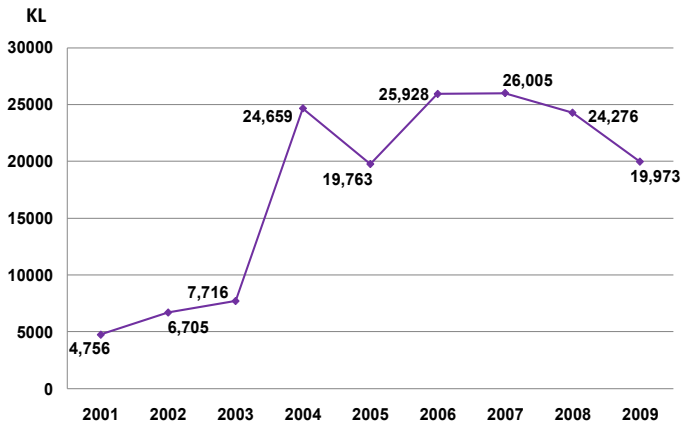
### U.S. Prune Imports



Imports of unfermented prune juice (including prune concentrate converted to single strength juice) declined by 18% in 2009 to 19,973 KL (the equivalent of about 7,108 tons of N.C. prunes). For the first five months this year 9,980 KL (about 3,552 tons) have been imported, an increase of 12%. Virtually all imports have been from Chile and France.



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



## DOMESTIC MARKETING

### PUBLIC RELATIONS

The public relations goals for 2009/10 were to:

- drive awareness of California Dried Plums as a Sensational Superfruit and to
- maximize media attention and stimulate demand.



**Natalie Coughlin**

This was achieved by leveraging the star power of Olympic Champion swimmer Natalie Coughlin to dramatize the superfruit positioning and broaden the appeal of California Dried Plums. In addition, we generated support for and an endorsement of California Dried Plums as a sensational superfruit among health and nutrition influencers.

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. Our secondary target audience was healthcare professionals such as dietitians, nutrition advisors and sports and fitness nutrition experts.

The California Dried Plum Peak Performance Plan featured Natalie Coughlin as spokesperson. Natalie won 11 medals in the Beijing and Athens

Olympics and will compete in the London Olympics in 2012. She is a California native, passionate about cooking and nutrition and a fan of California Dried Plums.

Natalie was featured in a satellite media tour highlighting her healthy lifestyle and dried plum cooking tips. Television and radio stations across the U.S. interviewed her for their news programs. A radio commercial featuring Natalie was also released to the four major networks. A full-color, full-page newspaper feature highlighted Natalie’s dried plum recipes and cooking tips.

A New York City media event was held in January 2010 teaming Natalie with Leslie Bonci, Registered Dietitian, Pittsburgh Steelers’ Nutrition Advisor and author of a new book on sports nutrition. Top-tier lifestyle journalists learned peak performance tips and the benefits of California Dried Plums.



**Leslie Bonci**

Delta Airlines ran an in-flight video featuring Natalie explaining why California Dried Plums are the essential superfruit in her training plan.

The CDPB reached active women both online and at sports venues like training camps, leagues and amateur competitions. Banner ads and dedicated e-mails from the Active Marketing Group featured Natalie and the superfruit message and drove visitors to Tummywise.com where they could enter a sweepstakes and view Natalie’s cooking video. Snack packs and \$1.00 dried plum coupons were distributed to 300,000 participants in Active Marketing swimming and endurance events.

A partnership with Foodbuzz.com reached 1,800 influential food bloggers with a combined audience of 5.6 million readers. Bloggers were urged to enter Natalie’s healthy eating recipe contest featuring California Dried Plums.



Dietitians and healthcare professionals were sampled and provided literature at the American Dietetic Association in Denver in October 2009.

**NUTRITION RESEARCH**

The Nutrition Research program discovers, characterizes and 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.

The following completed research projects were published or are pending publication:

- “Dried plums consumed twice daily increase antioxidant capacity after two weeks in adult women.” *FASEB J.* 24: 564.5. Kaper, S., Howarth, L. S., Petrisko, Y., Furchner-Evanson, A., Nemoseck, T., Hong, M.Y., and Kern, M.
- “Snack selection influences nutrient intake, triglycerides and bowel habits in adult women: a pilot study.” *J. Am. Diet. Assoc.* 110: 1322-27 Howarth, L. S., Petrisko, Y., Furchner-Evanson, A., Nemoseck, T., and Kern, M.



**Dr. Bernard Halloran**

- “Dietary dried plum increases bone mass in adult and aged male mice.” *J. Nutr.* 140: 1781-87 Halloran, B. P., Wronski, T. J., Von Herzen, D. C., Chu, V., Xia, X., Pingel, J. E., Williams, A. A., and Smith, B.

- “Short-term effects of a snack including dried

prunes on energy intake and satiety in normal weight individuals.” *Eat. Behav.* 11: 201-203 Farajian, P., Katsagani, M., and Zampelas, A.

- “Type of snack influences satiety responses in adult women.” *Appetite* 54:564-69. Furchner-Evanson, A., Petrisko, Y., Howarth, L. S., Nemoseck, T., and Kern M.
- “Randomized clinical trial: dried plums (prunes) versus psyllium in constipation.” *Aliment. Pharmacol. Ther.* (accepted). Attaluri A., Donahoe R., Paulson J., Brown K., Rao S. S. C.



**Dr. Satish Rao**

- “Comparative effects of two dried fruits rich in bioactive compounds on bone.” *Brit. J. Nutr.* (accepted). Hooshmand, S., Chai, S. C., Saadat, R. L., Payton, M. E., Brummel-Smith, K., and Arjmandi, B. H.
- “Dried plums and their products: Composition and health effects – An updated review.” *Critical Reviews in Food Science and Nutrition* (accepted). Stacewicz-Sapuntzakis M.
- “Oral and dental health benefits of dried plums” Dr. Christine Wu, University of Illinois, Chicago, manuscript completed but not submitted.

During 2009/10, the nutrition research program provided information on dried plums’ nutrition and health benefits to the California Dried Fruit Coalition; and CPB Europe developed research protocols to investigate the role of dried plums/prunes in satiety at Liverpool University; and the role dried plums/prunes in digestive health at Kings College, London.



### INDUSTRIAL MARKETING

The 2009/10 industrial marketing program focused on California Dried Plum benefits in naturally improving the value of underutilized meat cuts, particularly beef but also pork, lamb and poultry. Adding value to underutilized proteins is an effective way to improve processor, retailer and foodservice operator profitability.

#### Program Objectives:

- Increase awareness of dried plums as a natural, innovative way to raise the value of meat cuts with higher profit margins.
- Demonstrate dried plums’ ingredient effectiveness.
- Achieve adoption of dried plums in existing and new products.

#### Program Strategies:

- Communicate functional benefits to the target audience emphasizing meat processors and foodservice chain operators most likely to respond to these messages.
- Focus on beef but also include other animal proteins when applicable.
- Use existing and new evidence as proof of dried plum performance and economic payoff.
- Support dried plum handler industrial sales and marketing activities.



Beef Ad

California Dried Plums’ ingredient benefits were communicated through trade advertising in Food Product Design, Culinology and Prepared Foods magazines, trade publicity releases, electronic bulletin e-mail distribution, the Board’s website and exhibits at the American Meat Institute show, the Research Chefs Association conference and the Value Cut Summit.

Research conducted at the University of Arkansas-Fayetteville Food Science Department, demonstrated that the addition of dried plum mixtures can be a good substitute for the phosphates currently being used in poultry processing. All plum products (dried plum fiber, dried prune powder, plum juice concentrate, or a 1:1 mix of plum fiber and prune powder) produced a more tender chicken breast fillet than did the traditional phosphate mixture. Consumers found no difference in the treatments when compared to the phosphate control.



The results of this study underscore results from prior university research on the efficacy of dried plums to naturally bind moisture in animal proteins. The ability of dried plums to function in this manner can be attributed to the high levels of fiber and sorbitol that naturally occur in the fruit.

### INTERNATIONAL MARKETING

The California Dried Plum Board was granted the equivalent of \$3.6 million in Market Access Program (MAP) and Emerging Markets Program (EMP) support by USDA’s Foreign Agricultural Service in 2009/10.

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.

Japan - Generic spot television advertising using the “A Piece of Moisture” commercial and publicity generated retail prune sales increases and led to



Television Commercial



Japan regaining its position as the #1 export market. POS materials supported in-store promotions in both supermarkets and drug stores. School lunch seminars educated nutritionists about preparing prune recipes and the nutritional attributes of California prunes.

**China** - Nutrition seminars and pregnant women salons educated consumers about the benefits of eating California prunes. Chef and baker seminars emphasized the quality and versatility of California prunes and retail bakery promotions showcased new prune bakery products. Trade seminars and shows resulted in new brands of California prunes being introduced at retail.

**India** - Television advertising, advertorials and in-store promotions increased awareness of California prunes in India. A new generic sample pack was developed for an on-pack promotion with Kellogg's Muesli that increased new user trial and retail sales of California prunes.



**United Kingdom** - The Board worked closely with health-oriented specialty retailers to tailor in-store promotions to their stores and customers. Sampling and nutrition materials were distributed at female-oriented events like Sports Relief, Taste of London, National Childbirth Trust and England Netball (the UK's most popular women's sport).

**Italy** - Generic activities promoted California prunes as a healthy and versatile snack through leaflets and POS materials. The 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.

**Greece** - Generic activities 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.



Eleni Petroulaki

**Russia** - The Board exhibited at the World Food Moscow and St. Petersburg trade shows and held trade seminars to educate prune buyers about the advantages of buying from California.

**European Union** - In response to the dramatic tightening of regulations controlling health and nutrition claims in the European Union, the CPB responded by taking the lead in a Global-Based Initiative (GBI) to develop a process for obtaining European Food Safety Authority approval of health and nutrition claims with an initial MAP funding grant of \$500,000..

In all markets, trade communications focused on why buyers should choose California prunes as "The Gold Standard" versus our foreign competitors. Quality, product safety, marketing support and customer service were the corner-stones of this effort to emphasize California's leadership position.



*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 2009/10 as well as membership in the Minor Crop Farmer Alliance and the Pesticide Policy Coalition at a total cost of \$237,676. Joe Turkovich served as Chairman of the Research Subcommittee and Gary Obenauf, President of Agricultural Research Consulting, coordinated all research activities. For reports on these prune research projects, contact the Board office or visit <http://ucanr.org/sites/driedplum/>.



### INTERNATIONAL PRUNE ASSOCIATION

The International Prune Association (IPA) held its 12th World Congress in Capetown, South Africa in October 2010, marking the IPA's 20th Anniversary. Reports on industry trends were given by the United States, Chile, France, Australia, South Africa and Italy. The IPA projects that by 2012 a worldwide prune oversupply of 66,000 tons may exist unless steps are taken to reduce acreage and production.



Gary Thiara

The next IPA Conference will be held in the Davis/Sacramento area May 2012. IPA President Gary Thiara welcomes suggestions on presentation topics and tours for this important conference.

### FRANCHISE TAX BOARD NOTICE

If you pay California source income to nonresidents of California, the Franchise Tax Board (FTB) wants to make you aware that unless certain exceptions apply, you must withhold and send to FTB seven percent of all payments that exceed \$1,500 in a calendar year.

California source income may include, but is not limited to:

- Payments to beekeepers and technical experts.
- Other non-wage payments made to those who service the farming industry.

For withholding procedures, information, or FTB forms:

- Visit their website at [ftb.ca.gov](http://ftb.ca.gov) and search for withholding.
- Review FTB Publication 1017, Resident and Nonresident Withholding Guidelines.
- Call them at 888.792.4900 or 916.845.6262 (not toll-free)

Email them at [wscs.gen@ftb.ca.gov](mailto:wscs.gen@ftb.ca.gov). Type Nonresident Withholding in the subject line. This is not a secure email address. Please do not send confidential information.

### 2009/10 BOARD INCOME & EXPENSES

The 2009/10 Board statement of income and expenses is shown below. These represent audited figures verified in the Board's annual audit by Hood and Strong LLP, Certified Public Accountants.

#### INCOME:

Carryover Funds	\$ 1,528,058
Production (Assessable tons only)	166,114
Assessment Rate per ton	\$ 27.00
Assessment Income	4,491,405
Misc. Income (Interest, etc.)	332
<b>TOTAL INCOME</b>	<b>\$ 6,019,794</b>

#### EXPENSES:

Operating Expenses	\$ 220,307
Consulting Services	125,927
Crop Estimating Services	5,000
Production Research & Coordination	332,578
Public Relations	947,048
Nutrition Research	73,602
Domestic Marketing	399,687
International Market Development	1,593,880
Administration	499,355
Processor Credit-Back	645,812
<b>TOTAL EXPENSES</b>	<b>\$ 4,197,384</b>
<b>FUNDS CARRIED OVER</b>	<b>\$ 1,176,599</b>

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The California Dried Plum News is published  
by the California Dried Plum Board (CDPB)  
& the Prune Marketing Committee (PMC)

Jon Lavy, Chairman, CDPB

Tim Smith, Chairman, PMC

Richard Peterson, Executive Director, CDPB & PMC



## 2009/10 MARKETING YEAR

### CALIFORNIA DRIED PLUM BOARD

### PRUNE MARKETING COMMITTEE

DISTRICT/  
AFFILIATION MEMBERS FLOATING ALTERNATES

MEMBERS ALTERNATES

#### PRODUCERS

#### PRODUCERS

1	Vern Vereschagin	}	
2	Sukhraj Pamma		Keith Larrabee (c)
3	Neill Mitchell		Jim Edwards
4	Ken Lindauer		Dan Bozzo
5	Jon Lavy (a) (c)		Gurnam Pamma
6	Ranvir Singh		Jim Demetriff (f)
7	Todd Mendonca (d)		

Keith Larrabee (c)	Vern Vereschagin
Sukhraj Pamma	Gurnam Pamma
Neill Mitchell	Gene Bains
Ken Lindauer (b)	Dilys Wohletz
Jon Lavy (c)	Dan Bozzo
Ranvir Singh	Brien Smith
Todd Mendonca (d)	Lucille Demetriff (k)

At Large Richard Conte

Richard Conte Jim Edwards

Co-op	Bob Amarel, Jr.	}	
Co-op	Brendon Flynn (e)		Mary McGowan (g)
Co-op	Bob Kolberg		Phil Filter
Co-op	Tim Smith (c)		John Rehermann
Co-op	Gary Thiara (b) (c)		
Co-op	Joe Turkovich		

Bob Amarel, Jr. (e)	Phil Filter (j)
Brendon Flynn	Vacant
Bob Kolberg	John Rehermann
Tim Smith (a) (c)	Mary McGowan (l)
Gary Thiara (c)	Dave Loquaci (m)
Joe Turkovich	Paul Paulin (m)

#### PROCESSORS

#### PROCESSORS

Co-op	Mark Dalrymple	}	Steve Harris
Co-op	Arthur Driscoll (c)		Ana Klein
Co-op	Dane Lance		Harold Upton
Independent	Jaswant Bains	}	Joe Serger (h)
Independent	Don Soetaert		Alan Greene (i)
Independent	George Sousa, Jr. (c)		Mark Mariani
Independent	Richard Wilbur III		Chris Steggall

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

#### PUBLIC MEMBER

#### PUBLIC MEMBER

Karen Berke Shirley Humphrey

Karen Berke Shirley Humphrey

(a) Chairman, (b) Vice Chairman, (c) Executive Committee Member, (d) replaced Mark Shepard, (e) replaced Ren Fairbanks, (f) replaced Lucille Demetriff, (g) replaced Brendon Flynn, (h) replaced Kent Mannee, (i) replaced Wayne Duty, (j) replaced Bob Amarel, Jr., (k) replaced Jim Demetriff, (l) replaced Paul Paulin, (m) filled vacant position