



Annual Report

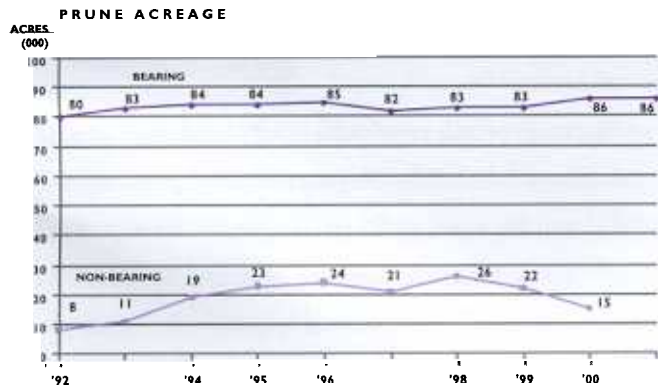
NO. 122

FEBRUARY 2002

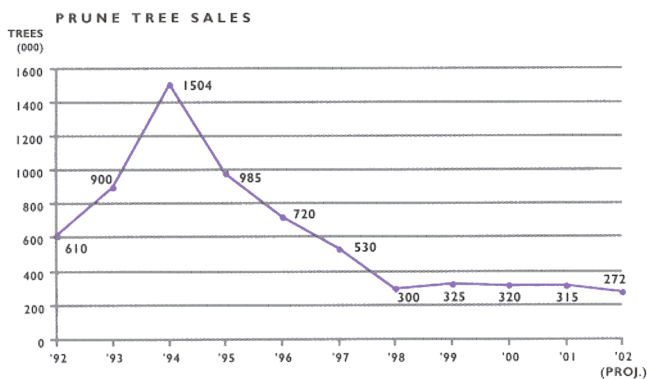
This Annual Report was developed in accordance with the Agricultural Marketing Act of 1937 to provide you with a summary of California Dried Plum Board activities for the 2000/01 marketing year. Special recognition should go to the members and alternates of the Board and Committee shown on page 8 and 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 for 2000 was estimated by the California Agricultural Statistics Service (CASS) at 86,000 acres which was 4% higher than 1999 and the same as the forecast for 2001. Non-bearing acreage for 2000 was estimated by CASS at 15,000 acres which was 32% lower than 1999's 22,000 acre estimate.

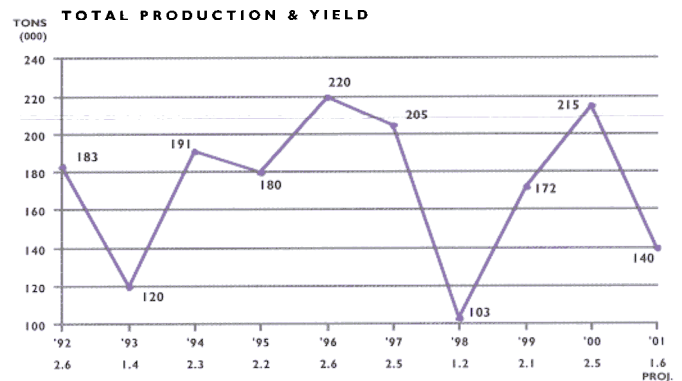


Prune tree sales reported by nurseries decreased by 2% in 2001 to 315,000 trees, remaining near the annual replacement level of about 300,000 trees. The projection for 2002 sales was 272,000 trees.



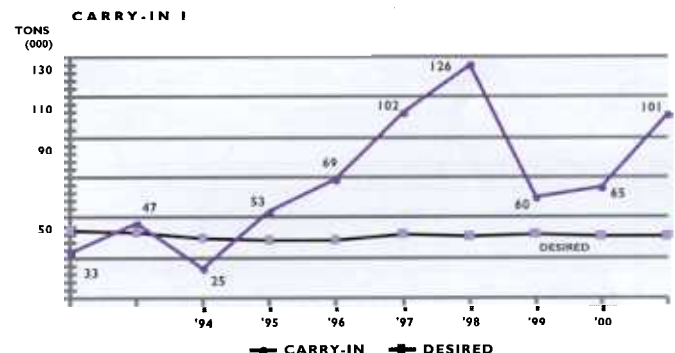
2000 prune production reached 214,803 tons which was 25% greater than the 1999 crop. This was 22% above the prior five-year average and 53% above the 140,000 tons projected for 2001. The 2.5 ton yield per bearing acre was 19% higher than the previous five-year average. The 24 Screen undersize content and trash totaled 12,046 tons or 5.6% of total production.

The North Sacramento Valley (Glenn, Tehama, Butte and Shasta Counties) accounted for 41% of total production, up from 34% in 1999. The South Sacramento Valley's contribution remained unchanged at 45%. San Joaquin Valley production declined from 20% to only 13%.



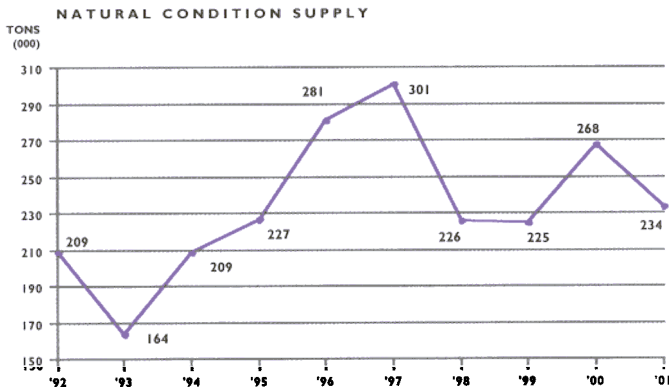
The average size count in 2000 was 66 compared to 62 in 1999 and 63 projected for 2001. Average sizes by region were 62 in the San Joaquin Valley, 66 in the South Sacramento Valley, 67 in the North Sacramento Valley and 62 in the Coastal Region.

The 2000 carry-in of 65,131 natural condition tons was 5,187 tons above 1999's carry-in and over 24,000 tons above the desired inventory level. The 2001 carry-in increased to 100,829 tons.

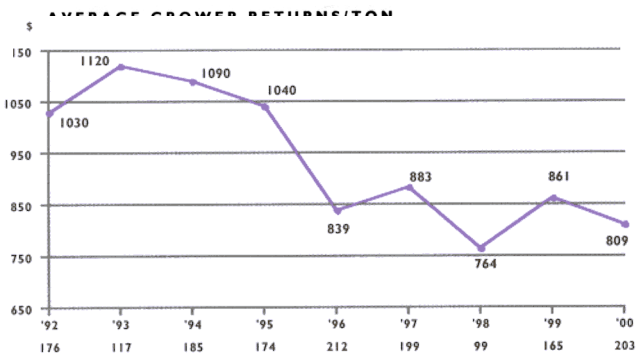




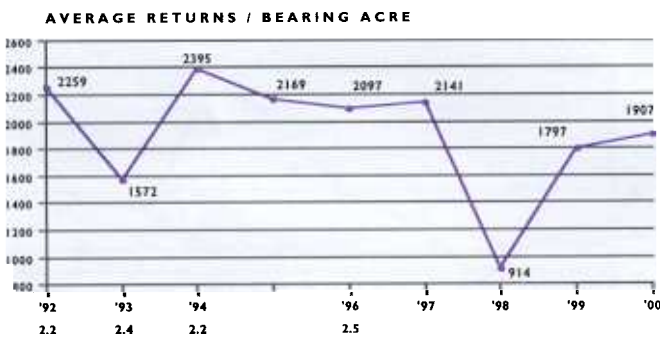
When combined with 2000 marketable production of 202,757 tons, the result was a total supply of 267,888 tons which was 19% higher than 1999 and 15% higher than the 2001 supply.



The average grower return per ton declined by 6% to \$809/ton for 2000 according to the California Agricultural Statistics Service. This was the second lowest return in the last 10 years and well below the returns of the early 1990s.

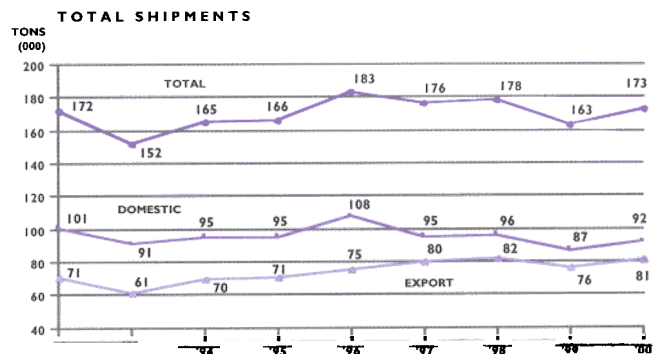


The average return per bearing acre increased again in 2000 to \$1,907 due to the increase in yield per acre and was 5% above the prior five-year average.

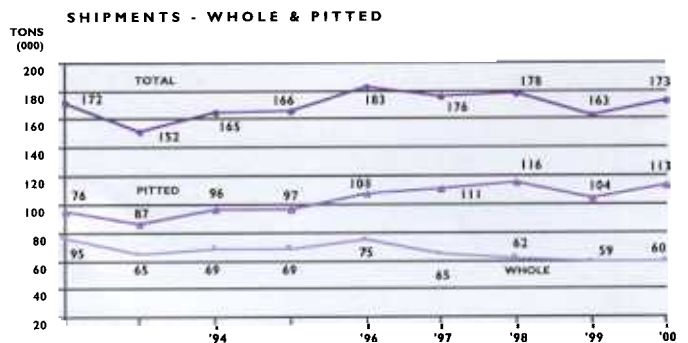


SHIPMENTS

Total 2000 shipments of 172,936 processed condition tons were up 6% from 1999. Domestic shipments increased by 5% on the strength of pitted prune shipments and USDA purchases. Exports increased by 7% with shipments to Europe increasing by 12%, China/Hong Kong by 58% and Japan stopping its two-year slide with a 1% gain. Exports as a percent of total shipments increased slightly to 47.0%.



Shipments of both pitted prunes (+ 9%) and whole prunes (+ 1%) increased from 1999. Shipments of pitted prunes equalled 65.3% of total shipments, up 1.7 points. Pitted prune shipments as a percent of total exports declined by 1.2 points to 74.3%, while pitted prune shipments as a percent of total domestic shipments increased to 57.4%. Whole prunes exported in natural condition jumped to 54.3%, an 8.6 point gain.





DOMESTIC MARKETING

An unprecedented 563,392,000 impressions demonstrates how much was done during the 2000/01 program year to increase awareness of the name change. Convenient, heart-healthy, contemporary, fun, dried plums are still making headlines everywhere! According to Information Resources Inc. (IRI) data for the 52 weeks ending July 15, 2001, unit sales were up 2.3 percent, a significant improvement from less than one year ago when sales were down 3.7%.

To kick off the year, a luncheon and food demonstration featuring the versatility of dried plums was held in October for 45 prominent food editors (including those from *Bon Appetit*, *Family Circle*, *Gourmet*, *New York Times*, etc.) at Picholine, a New York restaurant.



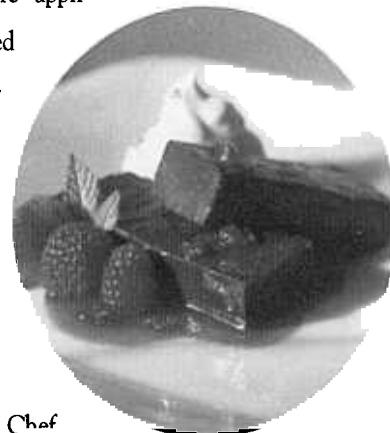
Chefs Gary Danko and Joanne Weir

Renowned chefs Gary Danko, Joanne Weir and Terrance Brennan showcased interesting and unique flavor pairings and multiple courses which included dried plums. Filet of Beef with Port-Glazed Dried Plum Sauce and Dried Plum, Fennel and Manchego Salad with Prosciutto are two of the delicious recipes demonstrated at the luncheon. This event secured nine dried plum placements including stories that ran in the *New York Times*, *Fitness*, *Food and Wine*, *Knight Ridder Syndicate* and *Restaurant Business*.

Continuing this year's momentum was a first-time-ever media tour with Barry Sinrod, a prominent market research expert. Barry enlightened audiences on how names affect our perceptions of everything from foods, such as dried plums, to presidential candidates, such as Al and George. This campaign consisted of 19 television interviews, 11 radio interviews and 694 broadcasts of an audio radio news release generating a total of 18,940,460 impressions.

Supporting the name change was also a campaign to demon-

strate the "anytime, anywhere" applications of dried plums. Dried plums are not just for breakfast anymore! The California Dried Plum Board worked with several high profile chefs to create recipes that showcased the ease, versatility and flavor dried plums bring to a dish. Chef



Gale Grand's Dried Plum
Chocolate Pavè

Walter Staib helped consumers welcome the winter holidays with his mouthwatering Mushroom-Herb Stuffing with Dried Plums, while chef and cookbook author Gale Gand shared her delicious Dried Plum Chocolate Pavè recipe to keep things sweet during Valentine's Day. Keeping with traditions, cookbook author Joyce Goldstein shared her favorite Passover recipe for Salmon with Spiced Marsala Plum Sauce. The Board also worked with chefs Georgeanne Brennan, Norman Van Aken and Todd English to produce a full page feature titled "It's All In A Name". The article received a tremendous response and was picked up by food editors everywhere. This year's food page releases reached a combined audience of over 74,897,189. This figure includes syndicated placements, ROP, magazine sponsorships and matte releases. Thanks to their innovative recipes, dried plums received rave reviews and impressions on food pages across the nation!

Newly launched and revamped this year, our web site www.CaliforniaDriedPlums.org is proving a vital tool for consumers, the media and the industry at large. The site now includes approximately 150 delicious dried plum recipes, a featured chef section, a kids page, a section for educators, nutrition information and research, food technology and foodservice material as well an area for media and industry requests. Within the first two months of the site's launch over 4,830 people visited the site and there were approximately 470 repeat visitors.



A key tactic utilized in promoting dried plums has been through sampling. This year's Local Market Activities "A Plum Good Name Can Bring You Fame" was not only entertaining, but well received by consumers. The California Dried Plum Board once again paired with marketing guru Barry Sinrod in four local markets



Name Change Contest Generates Media

(Atlanta, San Antonio, Portland and Sacramento) to help deliver key messages, and get consumers to try dried plums. Local media coverage occurred in each market via television and radio interviews. Consumers were offered chocolate dipped dried plums, snack packs, coupons and collateral pieces in each market. One lucky

winner in each market was given the opportunity to legally change their name, all expenses paid. In-store sampling was done in these markets as well. In all, over 385,000 dried plum samples were distributed to consumers during this sampling program.

Snack packs and coupons were also distributed to our target audience through established sampling vehicles. A total of 795,000 snack packs were distributed to OB/GYNs for expectant mothers, pediatricians to provide to parents and high-end fitness clubs to distribute among club members. The 2000-2001 sampling program also continued to sample with The American Cancer Society, Race For The Cure, and the American Heart Association. Snacks packs distributed this year total 1,139,000.



A Good Name Can Bring You Fame!

With the desire to increase awareness of the name change and health benefits of dried plums it has been essential to target the "image-makers". This year the California Dried Plum Board partici-

pated in several conferences where key opinion leaders were present. Conferences included the American Dietetic Association, the International Association of Culinary Professionals, Les Dames d'Escoffier, the Culinary Institute of Americas: World Flavors Conference and Oldways. Dried plums were showcased at each event, whether it was in an innovative recipe, a meal idea, or through nutrition messaging.

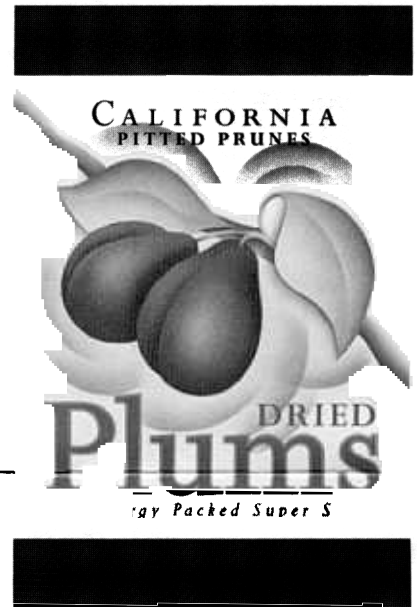
To get in sync with the name change the California Dried Plum Board developed new collateral materials. A new snack pack illustration was designed, as well as a recipe brochure featuring recently developed recipes and beautiful color photography.

New press materials and letterhead were also created with the dried plum logo.

As you can see, dried plums are EVERYWHERE! From top magazines, television and radio tours, newspapers, and the World Wide Web, dried plums are still making headlines!

ADVERTISING

Advertising test market research was conducted in the 2000/01 fiscal year to determine the most effective marketing communication strategies. The results demonstrated that radio advertising halted the sales decline and added incremental sales of approximately 3.5%. The research also showed that synergy was achieved in those markets with both radio and in-store marketing activities (shopping cart advertising). Combination markets showed sales increases of 6.1%. Analysis showed that advertising and in-store market activities can generate volume and profitability.



New Dried Plums Snack Pack



Shopping Cart Ad

FOOD TECHNOLOGY

The California Dried Plum Board's 2000/01 industrial/foodservice program focused on the completion of two important research projects. At Kansas State University, Dr. Daniel Fung's preliminary studies indicated that dried plums effectively suppressed the growth of food-borne pathogens in meats. Texas A&M University researchers, led by Dr. Jimmy Keeton, successfully demonstrated that dried plums eliminate lipid oxidation or warmed-over flavor in pre-cooked processed meats.

Dr. Fung, one of the world's leading authorities on meat pathogens, verified that the addition of dried and fresh plum materials significantly suppressed the growth of common microorganisms (e.g., E. coli, Salmonella and Listeria) in both a liquid medium and raw ground beef. Dr. Keeton, a globally recognized expert on lipid oxidation in meats, and his colleague Dr. Ki Soon Rhee, affirmed the addition of dried plum and fresh plum materials to processed meats combated warmed-over flavor as effectively as synthetic antioxidants (currently added to meats by processors).

Taking this news to industry decision-makers, the Dried Plum Board assembled a second supplement to *Food Product Design* magazine titled "Research Reveals the Power of Dried Plums" (the first, "Designing Moistener Meats" ran in 1999/2000). Reaching an audience of over 25,000 food industry executives, the supplement summarized the research and recommended a range of meat processing applications.

Selecting proactive marketing venues, the CDPB announced the findings to attendees at key food manufacturing trade shows: Institute of Food Technologists (IFT), American Meat Institute (AMI) and Research Chefs Association (RCA). At these events, the CDPB demonstrated dried plum ingredient efficacy and encouraged product trial by sampling dried plum-enhanced processed meats, such as hot dogs, Italian sausages, hamburgers and turkey burgers. The CDPB generated 152 qualified sales leads from these shows.

During 2000/2001, the CDPB actively participated in the school market through its relationships with the American School Foodservice Association (ASFSFA), the United States Department of Agriculture (USDA) and the American Commodity Distribution Association (ACDA).

A recognized leader among ASFSFA member organizations, the CDPB participated in two demonstration projects with the USDA, Food Quality & Assurance Division, in two California school districts – Los Angeles Unified and Capistrano Unified School Districts, where three dried plum products were tasted and endorsed by students. USDA officials acknowledged that the addition of the puree to the school lunch products boosted student acceptance.

Earlier in the year, the CDPB participated in the annual meeting of ACDA, the powerful association representing all commodities delivered to the school systems. As a result of the CDPB's relationship with ACDA and the

USDA, dried plums debuted as an ingredient in a USDA-developed trail mix, now a "student approved" menu item in schools.

The CDPB posted a year of sizable press coverage for the exciting developments in meat processing and food manufactur-



Food Product Design Supplement

continued on page 6

ing (42 placements), as well as strong interest in the explosion of dried plum dishes on upscale restaurant menus. Celebrity chefs like Thomas Keller (French Laundry), Gary Danko (Gary Danko's), Terrence Brennan (Picholine) and Gale Gand (Tru) lent seriousness and glamour to the dried plum's return to the table. Photos and stories in *Nation's Restaurant News*, *Restaurant Business* and *Chef*, among others, showed the trade press was paying close attention.

INTERNATIONAL MARKETING

California Prune Board support from USDA's Market Access Program (MAP) declined 5% to \$1,962,000 in 2000. Support was continued in Japan, China, Germany, the United Kingdom and Scandinavia, but was discontinued for Italy due to the reduction in MAP funding.

Germany

Support in our largest European market, Germany, continued with a trade and consumer generic public relations campaign promoting California prunes as a



Press Pack

healthv snack. Much media coverage was achieved in national and regional magazines and newspapers as well as radio coverage on national and regional stations. Six national consumer

roadshows were held across Germany supported by regional media all giving coverage on the ORAC study and general product health benefits. Consumer literature was distributed both at point-of-sale and through consumer sampling activitie

United Kingdom

In the United Kingdom, the Board continued to run generic trade and consumer public relations. Activities were focussed

during the 'California Prune Month' of February 2001 where our national roadshow called at six cities across the United Kingdom providing the opportunity to directly sample consumers and distribute new leaflets promoting the health benefits of snacking on prunes. The roadshows were supported by regional radio support including live links from our roadshow events. Branded consumer promotions were also run in national magazines throughout the month.

Scandinavia

Sweden, Norway, Denmark and Finland all received marketing support with trade meetings held in conjunction with local US Embassy personnel in the four major

cities across the region. Consumer generic public relations was also employed to promote the ORAC survey results and promote healthy snack



Trade Meeting

ing through media coverage and consumer samplings in sports centres

across the region. Over 1 million consumer leaflets were also inserted into key women's press to provide synergy with the public relations campaign messages.

Japan

Advertising was again the major focus of this year's programs. The commercial, developed to spotlight the "Power of Prunes", highlighted prunes' major nutrients in relation to each member of the family. The Board conducted advertising in three cities (Tokyo, Osaka, & Nagoya), which accounted for 59% of Japanese households. The October 2000 advertising resulted in a 36% increase during the advertising period with a 16% increase in the post-advertising period. March results were even more impressive with a 42% increase during advertising and 30% increase post. Public relations efforts included news releases to producers, directors, and food journalists. The results were: Television 246,026,799 impressions (\$285,473 value); Consumer Print 40,843,803 impressions (\$32,648,471 USD value); and Trade Print with



1,429,057 impressions (\$1,774,410 USD value). Trade activities included school lunch seminars, in-store point-of-sale materials, Ag. Trade Office sponsored food fair promotions and frequent news releases.

China

The Board conducted a variety of consumer activities in China this year, including Consumer Food Shows, Retail Merchandising (demos and gift basket promotions), Consumer Advertising, a Beauty Lecture, Night of California Prune (month long program with daily radio broadcasts with prunes featured for 10 minutes each day), and a Children's Drawing Contest.



Night of California Prune in Shanghai

Trade activities included trade seminars, trade shows, and quarterly newsletters. Foodservice included Culinary Institute of America (CIA) sponsored seminars and new recipes developed with approximately 1,000 chefs in attendance.

In conjunction with the California Pistachio Commission and the Almond Board of California the CPB hosted a delegation of nine dried fruit and nut buyers and the editor of the leading trade magazine. Of the nine buyers, two purchased prunes with the first purchases of 500 tons.

PRUNE DAY MEETINGS SCHEDULED

The University of California Cooperative Extension Service will hold two Prune Day meetings for growers, handlers and other interested persons. On February 28, 2002, a San Joaquin Valley meeting will be held at the Cooperative Extension Office Auditorium in Tulare. A North Sacramento Valley meeting will be held on March 15, 2002, at the Veteran's Hall in Yuba City. These

meetings will provide reports on research projects and other prune industry activities, and all growers are urged to attend the meeting nearest them.

PRODUCTION RESEARCH

The California Prune Board funded a variety of production research projects in 2000/01 as well as membership in the Minor Crop Farmer Alliance and the California Commodity Committee at a total cost of \$181,495. 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.

2000/01 BOARD INCOME & EXPENSES

The 2000/01 Board statement of income and expenses is shown below. These represent audited figures verified in the the Board's annual audit by Hood & Strong, Certified Public Accountants.

INCOME:	
Carryover Funds	\$1,621,367
Production (Assessable tons only)	202,756
Assessment Rate per ton	50
Assessment Income	10,125,517
Misc. Income (Interest, etc.)	223,180
TOTAL INCOME	\$11,971,064
EXPENSES:	
Operating Expenses	\$321,666
Consulting Services	98,263
Uncollectable Assessments Expense	280,000
Crop Estimating Services	27,000
Production Research & Coordination	252,495
Public Relations	3,270,507
Advertising	1,306,732
Consumer Research	324,998
Sales Promotion	193,835
International Market Development	1,858,208
Administration	410,850
TOTAL EXPENSES	\$8,344,554
FUNDS CARRIED OVER	\$3,625,51

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 California Dried Plum Board (CDPB) &
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 Richard Peterson, Executive Director, CDPB & PMC
 Peggy Castaldi, Marketing Director, CDPB



2000/0 MARKETING YEAR

CALIFORNIA DRIED PLUM BOARD

PRUNE MARKETING COMMITTEE

DISTRICT/
 AFFILIATION

MEMBERS

ALTERNATES

MEMBERS

ALTERNATES

PRODUCERS

PRODUCERS

	Vern Vereschagin (a)(c)	Stan Lester
	Sam Nevis	John Heier
	Joginder Bains	Frank Monasterio
	Ken Lindauer (c)	Al Lengtat
5	Ron Giovannetti	Jon Lavy
6	Neill Mitchell	Greg Foster
7	Chris Steggall	David Loquaci
Co-op	Gregory Correa	Ken Kaplan
Co-op	Gus Collin (c)	Jeff Stephens
Co-op	Hans Smith	Cherie Stephens
Co-op	Jane Flynn	Fred Shaeffer
Co-op	Sarb Basrai	Tim Smith
Co-op	James Edwards	M.R. Burton
Co-op	Donald Vossler (b)	Todd Southam

	Vern Vereschagin (c)	Keith Larrabee
	Sam Nevis	Dominic Nevis
	Joginder Bains	Frank Monasterio
	Ken Lindauer (b)(c)	Dorothy Lindauer
	Ron Giovannetti	Jon Lavy
	Neill Mitchell	Greg Foster
	Dwayne Cardoza	Peter Camarda, Jr.
	Gregory Correa	Ken Kaplan
	James Edwards	M.R. Burton
	Gus Collin (a)(c)	Jeff Stephens
	Sarb Basrai	Bob Kolberg
	Tim Smith	Cherie Stephens
	Jane Flynn	Fred Shaeffer
	Donald Vossler	Todd Southam

PROCESSORS

PROCESSORS

Co-op	Mark Dalrymple	Bruce Norton (g)
Co-op	Arthur Driscoll (d)	Sharon Braun (f)
Co-op	Howard Nager	Brent Morrison (e)
Co-op	Harold Schenker (c)	Ron Sandage
Independent	Mark Mariani (c)	George Sousa, Jr.
Independent	Mark Nesbitt	Richard Burrignt
Independent	Brad Stapleton (c)	Gavrilo Spaich

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	Mark Mariani (c)	George Sousa, Jr.
	Mark Nesbitt	Richard Burrignt
	Gavrilo Spaich	Brad Stapleton (c)

PUBLIC MEMBER

PUBLIC MEMBER

Karen Berke

Anna Olivares

Karen Berke

Anna Olivares

(a) Chairman, (b) Vice Chairman, (c) Executive Committee Member, (d) Replaced Michael Pereira, (e) Replaced Jeff Chan, (f) Replaced Rob Carey, (g) Replaced Gilbert Lomeli