



# Annual Report

No. 163

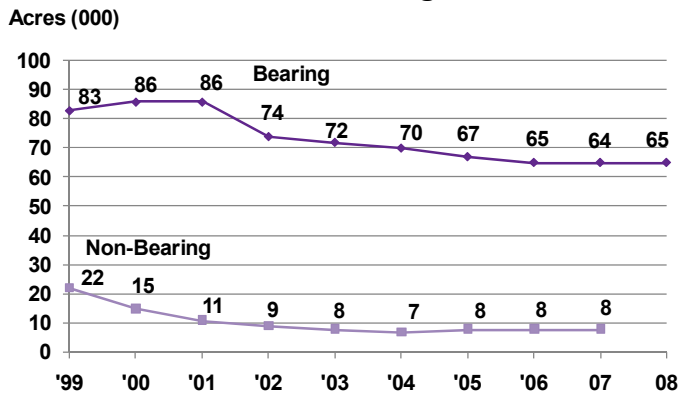
February 2009

*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 2007/08 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

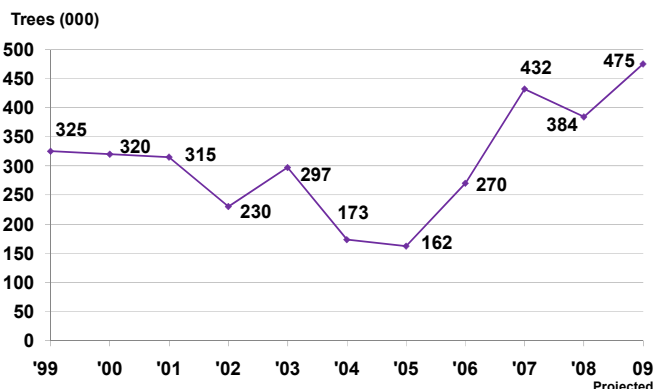
Bearing prune acreage increased by 1,000 acres to 65,000 acres in 2008. Non-bearing acreage remained at 7,500 acres in 2007.

### Prune Acreage



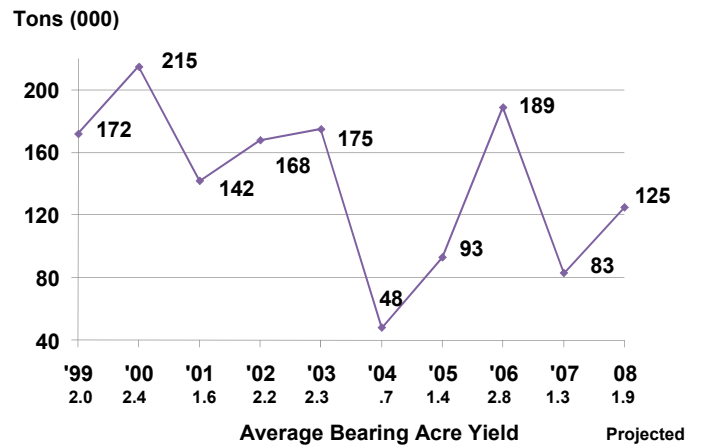
Prune tree sales reported by nurseries decreased by 11% to 384,000 trees in 2008. The projection for 2009 is 475,000 trees, which would represent a 24% increase and the highest total sales since 1997 when 530,000 trees were sold.

### Prune Tree Sales



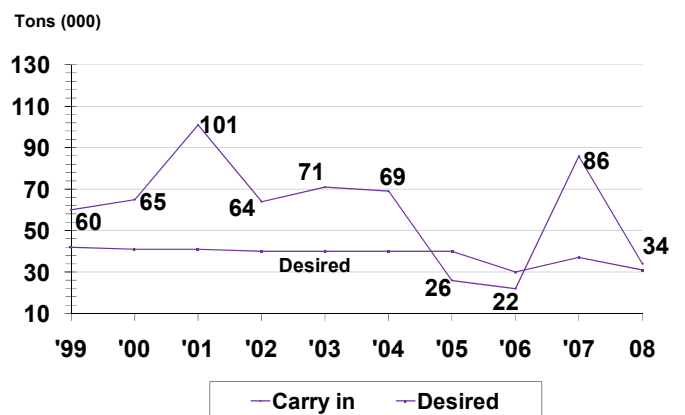
2007 prune production decreased by 56% to 83,276 tons with the bearing acre yield dropping from 2.8 to 1.3 dried tons per acre. The 2008 crop is projected by packers to increase to about 125,000 tons which would be 6% higher than the 5-year average of 117,715 tons.

### Total Production & Yield



The 2007 carry-in of 86,075 tons was 288% higher than the 2006 carry-in of 22,140 tons and 152% higher than the reported 34,151 ton 2008 carry-in.

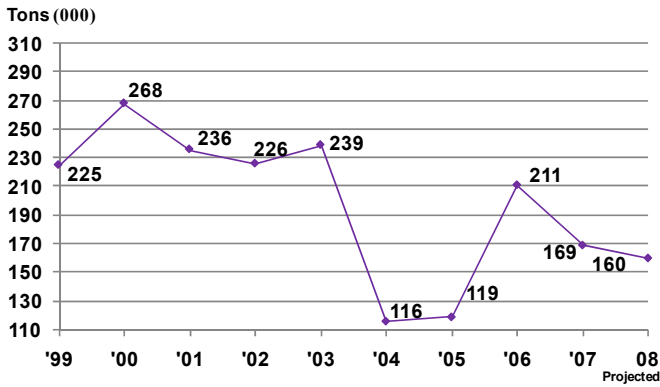
### Carry-In Inventory



Combining the carry-in with 2007 production of 83,276 tons, the total supply was 169,351 tons, which was 20% lower than the 2006 supply. The projected 2008 supply of 159,524 tons would represent a 6% decrease from 2007.

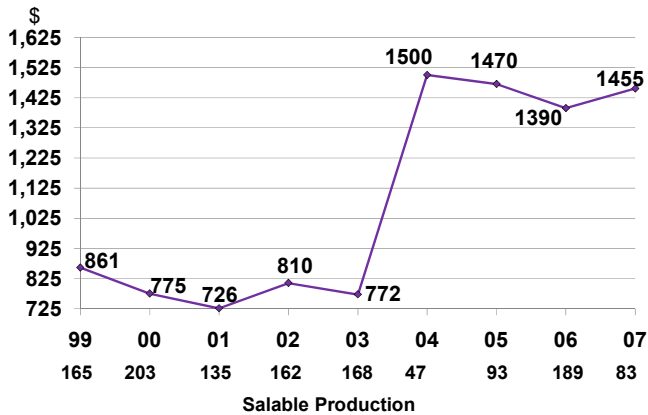


### Natural Condition Supply



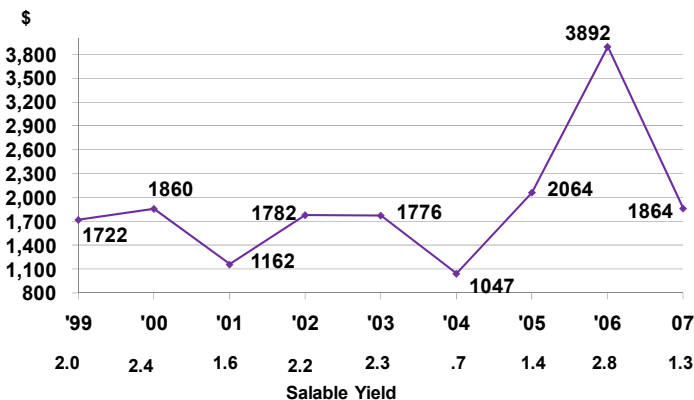
The average grower return per ton increased by 5% to \$1,455 per ton for 2007 according to the California Agricultural Statistics Service. The average price for the 2004 – 2007 crop years of \$1,454 was 84% higher than the previous 5 – year average of \$789.

### Average Grower Returns/Ton



The average return per bearing acre decreased by 52% to \$1,864 per acre due to the dramatic reduction in yield per acre.

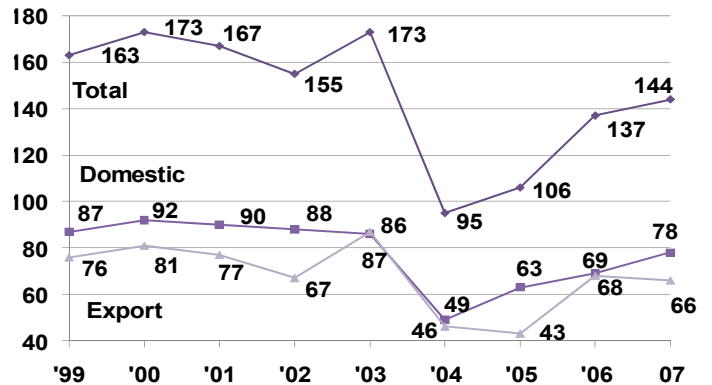
### Average Returns / Bearing Acre



### SHIPMENTS

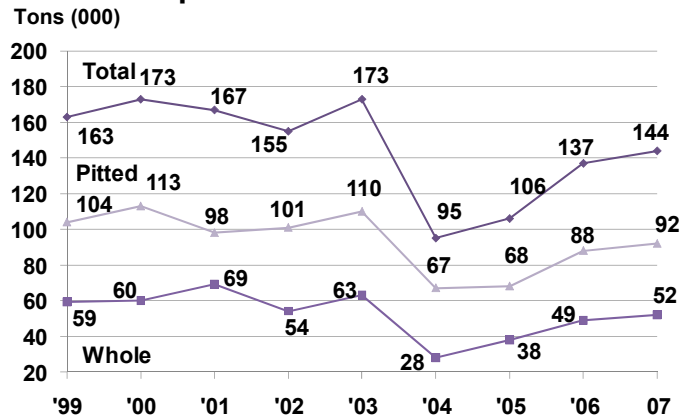
Total 2007 shipments of 144,430 processed conditions tons were 6% higher than 2006 shipments. Domestic shipments increased by 13% while exports decreased by 2%. Exports as a percent of total shipments decreased to 46.0%.

### Total Shipments



Shipments of pitted prunes increased by 5% over the prior year while whole prunes increased by 7%. Pitted prunes accounted for 52% of domestic shipments and over 77% of exports.

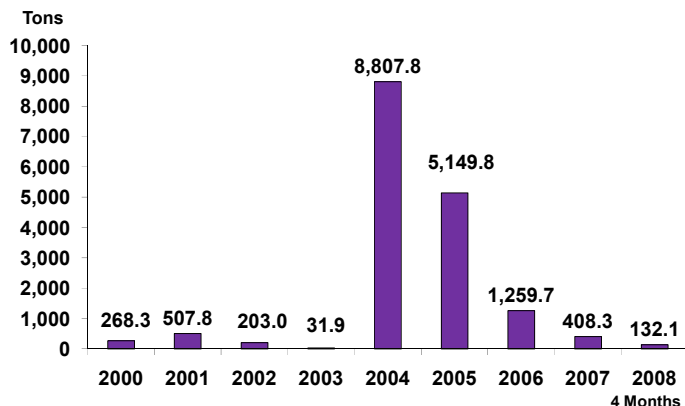
### Shipments – Whole & Pitted



The increased California prune carry-in contributed to a 68% drop last year in US prune imports to 408.3 tons. This does not include prunes in brine. For the first four months this year, prune imports have increased to 132.1 tons, a year-to-date increase of 274% over last year, off a very small base. All imports have been from Chile and Argentina.

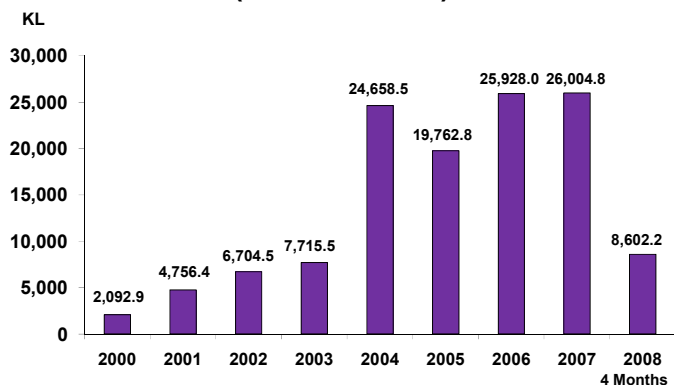


### U.S. Prune Imports



Imports of unfermented prune juice (including prune concentrate converted to single strength juice) remained virtually unchanged at 26,005 kiloliters (the equivalent of about 9,287 short tons of N.C. prunes). For the first four months of this year 8,602 KL (about 3,072 short tons) have been imported, a decrease of 15%. All imports have been from Chile and France.

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



## DOMESTIC MARKETING

### PUBLIC RELATIONS

2007/08 marked the fourth year of the California Dried Plum Board’s (CDPB) public relations program which positions California Dried Plums as the #1 fruit for digestive health. The digestive health campaign emphasizes dried plums as a part of an active, healthy lifestyle. This comprehensive program combines science, health professional outreach and consumer awareness-building via media outreach efforts.

The 2007/08 Public Relations program built on the successful momentum of the digestive health campaign, but expanded messaging to broaden the appeal and news value of California Dried Plums as:

- Nature’s perfect package
- Key to maintaining balance
- Convenient and portable healthy snack
- Healthy addition to meals

Our primary communications goal continued to be building awareness about the importance of digestive health among our target audiences:

- Women 25 – 54 years old (universe of 63+ million)
- Media
- Health Professionals

The following strategies were employed to convey the expanded messaging to the CDPB’s target audience:

- Continue to bolster credibility and sustain scientific interest in the Digestive Health Organization (DHO) and California Dried Plums
- Capitalize on consumers’ unprecedented interest in health/wellness and “functional foods”
- Leverage “spokes-experts” to maximize media exposure for California Dried Plums as “the solution” for good digestive health and a well-balanced life

### Digestive Health Organization

Originally launched in 2005, the DHO remains a core element of the CDPB digestive health platform. This CDPB-sponsored organization is dedicated to raising awareness of digestive health for scientists and health professionals.

In order to keep [www.digestivehealthorg.com](http://www.digestivehealthorg.com) interesting and relevant for health professionals, the CDPB built the science by publishing new research and making the information more accessible through additional research summaries.



**Spokespersons**

The CDPB launched a unique “spokes-expert” panel to build credibility, address different wellness issues and position dried plums as the essential solution for building and maintaining good digestive health. Leslie Bonci, the Director of Sports Nutrition at the University of Pittsburgh Medical Center, and Dr. Leo Treyzon, a fellow with the division of Digestive Diseases and a clinical instructor in the Department of Medicine at the David Geffen School of Medicine at University of California, Los Angeles, were our primary spokespersons.

The CDPB also began using Dr. Maoshing Ni, Doctor of Oriental Medicine (DOM) and Dave Grotto, RD, as members of the “spokes-expert” panel. Both had books released in January 2008, California Dried Plum Digestive Health Month, that discussed the benefits of California Dried Plums.



Dr. Maoshing Ni

**News Bureau**

Through the news bureau program, the CDPB launched a proactive news bureau program to generate news stories, tips, usage ideas and lifestyle features. This capitalized on seasonal holiday events, consumer trends, nutrition news coverage and other media opportunities to generate coverage about digestive health and California Dried Plums.

**News Bureau Activities:**

- Governor Arnold Schwarzenegger again declared January to be California Dried Plum Digestive Health Month, which generated excellent media coverage. This campaign was supported by freestanding insert (FSI) ads with 75¢ coupons in the Chicago, Orlando and Sacramento metropolitan markets.
- Media event in New York City featuring CDPB “spokes-experts”

- Increased pitching efforts to major online outlets (e.g. [www.msn.com](http://www.msn.com), [www.webmd.com](http://www.webmd.com))
- A test kitchen product mailing of California Dried Plums with usage ideas to food and lifestyle publications

**Influencer Program**

The CDPB expanded its outreach efforts to health professionals through participation at key conferences and events. We turned more health professionals into influencers by surrounding them with CDPB messages; securing speaking opportunities for CDPB “spokes-experts;” and providing tools for patient use including posters and informational hand-outs. We also drove traffic to [www.digestivehealth.org](http://www.digestivehealth.org) and [www.tummywise.com](http://www.tummywise.com) by building awareness of these online resources.

**Conferences attended:**

American Dietetic Association Food & Nutrition Conference & Expo (September – October 2007)

- Built on the momentum from the 2005 and 2006 ADA conferences by exhibiting and hosting a seminar featuring CDPB “spokes-experts”.



Dr. Dan Gallaher Seminar Speaker

Healthy Kitchens, Healthy Lives (April 2008)

- Presented by Harvard Medical School and The Culinary Institute of America to bridge nutrition science, health care and the culinary arts

American Academy of Nurse Practitioners (June 2008)

- Largest professional membership organization for nurse practitioners; 2,900 nurse practitioners attended in 2007.

**CDPB Websites**

The CDPB used an integrated approach to reach online communities of health professionals and consumers and drive traffic to



[www.digestivehealthorg.com](http://www.digestivehealthorg.com) and [www.tummywise.com](http://www.tummywise.com). The redesigned [www.californiadriedplums.org](http://www.californiadriedplums.org) site served as the gateway to DHO and Tummywise sites.

**Airline Video and Sampling**

The CDPB produced an in-flight video segment featuring Leslie Bonci talking about California Dried Plums as a delicious “good gut” travel snack – a good source of fiber and high in antioxidants. The segment ran in July and August of 2007 on United Airlines and again during the peak holiday travel months of November and December on United, American and US Air airlines. This effort reached over 8.9 million travelers with targeted CDPB digestive health/wellness messages.



Leslie Bonci

The CDPB gave California Dried Plum snack packs to travelers on United, American and US Air through airport executive lounges in Chicago, New York, Washington DC and Los Angeles to complement the in-flight video program.

**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.

Daniel Gallaher, Ph.D., University of Minnesota discussed the role of dried plums in atherosclerosis and Brenda Smith, Ph.D., Oklahoma State University discussed dried plums and bone health during the 2nd



Dr. Brenda Smith

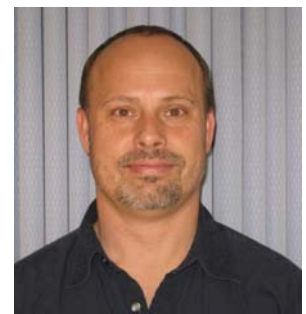
International Symposium on Human Health Effects of Fruits and Vegetables, in October at Texas A&M University. Brenda J. Smith’s research “Comparison of dried plum powder supplementation and intermittent PTH in restoring bone in osteopenic orchidectomized rats” appeared in *Osteoporosis International* 2007; 18(7); 931-42. Dr. Smith’s research investigating the role of dried plums and inflammation or immune response in a mouse model is pending completion.

Bahram Arjmandi, PhD, RD, Florida State University, presented “Dried Plum and Reversing Osteoporosis: Too Good to be True?” during the University’s February symposium entitled *Managing Menopause: A Common Denominator for the Prevention and Treatment of Chronic Disease*. Dr. Arjmandi’s research was also featured as a poster exhibit of the Japanese Menopause Society. Dr. Arjmandi’s clinical trial will be completed March 2009.

Christine Wu, MS, PhD., University of Illinois, Chicago included mention of her research on dried plums and oral health during the International Life Sciences Institute’s program during *Experimental Biology*, April, in San Diego. Dr. Wu has completed the research and is preparing a manuscript.

Other research projects initiated during 2007/08 included:

- Dried plums for promotion of satiety, weight management practices and a healthful diet. Mark Kern, PhD, RD, San Diego State University (Completed; two manuscripts prepared and submitted).
- Short and mid-term effects of prunes on satiety in normal weight individuals. Antonis Zampelas, Agricultural University of Athens, Greece (Completed; one manuscript submitted).



Dr. Mark Kern



- Investigation of dried plums in the treatment of adults with constipation – randomized controlled trial. Satish Rao, MD, PhD, FRCP, University of Iowa Carver College of Medicine (To be completed March 2009).

**INDUSTRIAL MARKETING PROGRAM**

The 2007/08 Dried Plum Board Industrial Program focused on the critical food processors’ problems of shelf life and shelf stability. Sandwiches were selected as the best way to focus the shelf life benefits of dried plums, since the sandwich in a myriad of forms is now the most popular entrée at breakfast, lunch and dinner both at home and away from home. The primary sandwich components are:

- Processed fresh meat and poultry products
- Baked goods (fresh and frozen)
- Sauces, marinades, rubs and condiments

**Program Objectives**

- Increase awareness of dried plums as a food ingredient.
- Demonstrate dried plums' ingredient effectiveness to extend product shelf life and shelf stability.
- Achieve adoption of dried plums 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/condiments.
- Use existing and new evidence as proof of dried plums' performance.
- Support dried plum handler industrial sales and marketing activities.

California Dried Plums’ ingredient benefits were communicated through trade advertising in Food Product Design, Culinology and Prepared Foods, trade publicity releases, exhibiting at the



Trade Ad

Institute of Food Technologists convention and Research Chefs Association conventions and the Board’s website.

A research project was launched at Texas A&M University to substantiate shelf life and economic claims for dried plum powder.

Consulting chefs from Ever Changing Times 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 \$2.7 million in Market Access Program (MAP) support by USDA’s Foreign Agricultural Service in 2007/08. Due to the inroads made by Chile and Argentina during California’s inventory shortages, promotional activities were focused on the benefits of buying California prunes rather than prunes from other origins.

**United Kingdom**

California Prunes were again named the official snack food of England Netball, the most popular UK sport for women.



This sponsorship provided sampling opportunities at matches, international television coverage and access to UK schools that receive Skills Awards. In-store promotions were held with Julian Graves and Holland & Barrett stores.

**Italy**

Promotions with two of the leading spas in Northern Italy offered the opportunity to sample and literature distribution, nutritionist recommendations and restaurant menu inclusion. Retail promotions were held in 50 Northern Italy stores. New foodservice recipes were developed in conjunction with the Lady Chefs of Italy.

**Greece**

Product sampling was conducted at the Greek Women’s Show and in 50 retail stores in the Athens and Thessalonika areas. The CPB’s generic public



relations campaign received the Gold Ermis Award, Greece's top communications award. The "Choose California" trade brochure emphasizing California Prunes' superiority was inserted in two leading trade magazines.

**Japan**

A new television commercial entitled "A Piece of Moisture" was produced to emphasize that California



Television Commercial

Prunes are beneficial for both health and beauty. This ran in the Tokyo area during the March/April period. A Prune and Banana Recipe Contest was held in retail produce sections using

thematic POS materials. The CPB exhibited at the Japanese Society of Anti-Aging Medicine.

**China**

Newspaper and magazine advertising extolled the nutritional attributes of California Prunes. Sampling promotions were held in 25 high-volume retail stores. Seminars were held in Guangzhou to teach bakery students and pastry chefs how to use California Prunes in baking applications.

**India**

Trade education continued through exhibits at the AAHAR food show and the HOST foodservice show. Product sampling was conducted at Reliance Fresh stores and leading school fairs. Nutrition seminars and institutional promotions were also conducted.

*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 2007/08 as well as membership in the Minor Crop Farmer Alliance and the Implementation Working Group at a total cost of \$284,149. 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.

**2007/08 BOARD INCOME & EXPENSES**

The 2007/08 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	\$ 2,223,471
Production (Assessable tons only)	83,276
Assessment Rate per ton	\$ 40.00
Assessment Income	2,715,530
Misc. Income (Interest, etc.)	29,330
<b>TOTAL INCOME</b>	<b>\$ 4,968,331</b>

**EXPENSES:**

Operating Expenses	\$ 219,890
Consulting Services	172,171
Crop Estimating Services	32,000
Production Research & Coordination	369,149
Public Relations	1,145,182
Advertising	0
Consumer Research	151,251
Sales Promotion	89,173
International Market Development	1,377,600
Administration	453,710
<b>TOTAL EXPENSES</b>	<b>\$ 4,010,126</b>

**FUNDS CARRIED OVER \$ 958,205**

**INTERNATIONAL PRUNE CONFERENCE TO BE HELD IN FRANCE**

The International Prune Association (IPA) will hold its next Conference in Agen, France from June 14 through 17, 2009. 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.



An optional post-conference tour will be held from June 18 through 20 in the Aquitaine region of France.

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.

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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



## 2007/08 MARKETING YEAR

### CALIFORNIA DRIED PLUM BOARD

### PRUNE MARKETING COMMITTEE

**DISTRICT/**

**AFFILIATION MEMBERS FLOATING ALTERNATES**

**PRODUCERS**

1	Vern Vereschagin	} Keith Larrabee (c) Neill Mitchell Dan Bozzo Al Lengtat  Bob Amarel, Jr. Phil Filter John Rehermann Vacant
2	Ron Giovannetti	
3	Jaswant Bains	
4	Ken Lindauer	
5	Jon Lavy (c)	
6	Ranvir Singh	
7	Chris Steggall	
Co-op	Ren Fairbanks	
Co-op	Brendon Flynn	
Co-op	Bob Kolberg	
Co-op	Hans Smith	
Co-op	Tim Smith (a) (c)	
Co-op	Gary Thiara (b) (c)	
Co-op	Joe Turkovich	

**PROCESSORS**

Co-op	Arthur Driscoll (c)	} Mark Dalrymple Steve Harris Harold Upton Mark Mariani David Mazzola Dennis Serger Rick G. Wilbur
Co-op	Dane Lance	
Co-op	Harold Schenker	
Independent	George Sousa, Jr. (c)	
Independent	Don Soetaert	
Independent	Kent Mannee (c)	
Independent	Richard R. Wilbur	

**PUBLIC MEMBER**

Karen Berke Vacant

**MEMBERS**

**ALTERNATES**

**PRODUCERS**

Keith Larrabee (c)	Vern Vereschagin
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Neill Mitchell	Jagdeep Bajwa
Ken Lindauer (b)	Dorothy Lindauer
Jon Lavy (a) (c)	Dan Bozzo
Ranvir Singh	Brien Smith
Lucille Demetriff	Jim Demetriff
Ren Fairbanks	Vacant
Brendon Flynn	Vacant
Bob Kolberg	Phil Filter
Hans Smith	John Rehermann
Tim Smith (c)	Vacant
Gary Thiara (c)	Bob Amarel, Jr.
Joe Turkovich	Vacant

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Don Soetaert	Jaswant Bains
Dennis Serger	Joe Serger
Richard R. Wilbur	Rick G. Wilbur

**PUBLIC MEMBER**

Karen Berke Vacant

(a) Chairman, (b) Vice Chairman, (c) Executive Committee Member