

CALIFORNIA RAISIN MARKETING BOARD

2010/2011 ANNUAL REPORT

21





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This 2010-2011 Annual Report is produced by the staff of the California Raisin Marketing Board. This project was led by Genaro Gonzales, Creative Marketing Specialist and Melinda McAllister, Marketing Specialist for Food Service.

Other CRMB staff contributing to this report:
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Larry Blagg, Senior Vice President of Marketing
Rick O'Fallon, Director of Marketing
Dori Rothweiler, Marketing Project Coordinator
Erika Paggett, Marketing Specialist for Research
Marlene "Cookie" Fritz, Administrative Assistant

This annual report is distributed by mail to the 3,000 California raisin growers. Additional copies may be requested by contacting the CRMB, 2445 Capitol Street, Suite 200, Fresno, CA 93721 (559)248-0287 info@raisins.org.

Every effort has been made to insure the accuracy of information contained in this publication. The California Raisin Marketing Board and its staff assume no responsibility for any errors, omissions or incorrect information appearing within.

Statement from the Chairman



Greetings:

What a Difference a Year Makes!

Last year, we were bemoaning the fact that the crop for 2009/2010 delivered 20,000 tons below forecast, thus causing a shortfall in assessment income and forcing a reduction in marketing activities. The 2010/2011 crop, on the other hand, delivered more than 60,000 tons over estimate and gave a bit of a cushion to the CRMB's budgeted activities.

In this past year "The Wise Choice Campaign" was re-affirmed unanimously by your Board, as the health and nutrition message for California Raisins and this message continues to provide us with clear points of difference over other dried fruits and fruit snacks. The fact that California Raisins are a no added-sugar product is gaining us more and more media and consumer attention. Products with only natural sugar, like California Raisins, are helping consumers achieve their carbohydrate needs without the "buzz" or "hype" associated with processed sugar-containing products, such as candy, soft drinks, and Craisins.

During the summer of 2011, the CRMB staff sought to confirm that our messaging to consumers was indeed on target. What they found was that consumers did realize that California Raisins were fat and cholesterol free, were high in antioxidants, and were generally considered a safe and healthy snack for their kids. They also realized that raisins were a very good ingredient for salads, entrees, and desserts. Surprisingly though, 43 out of 46 consumers interviewed believed that raisins were a "processed food" and did not realize they were dried in the sun, a fact we in the San Joaquin Valley take for granted. As a direct result of that research, this spring's advertising is taking on a new look, which will be explained in a separate article entitled "Solar Powered Goodness."

While we have been blessed with another year of rising prices for our crop and the European Grapevine Moth has proven not to be the pervasive threat that it was to those in the Napa Valley, we are not without challenges as growers and marketers of California Raisins. This coming year, we expect to see a significant challenge to our position as the No. 1 dried fruit from Ocean Spray's Craisins. We are now readying for that challenge.

Our staff, Board members and consultants/agencies are all mindful of the tasks at hand and are working to keep California Raisins in its top position in the dried fruit industry. And as in past years, I want to say THANK YOU to our Board members and alternates, who devote their time and effort to help make the CRMB an asset to the industry.

Dennis With

Background

STATE OF CALIFORNIA – DEPARTMENT OF FOOD AND AGRICULTURE MARKETING ORDER FOR CALIFORNIA RAISINS PREAMBLE / MISSION STATEMENT

California Raisins are one of the major specialty crops in the state. The production and marketing of raisins affects the welfare, standard of living and health of a large number of citizens residing in the state. In addition, a large portion of this crop is exported, which positively affects the California economy and the U.S. balance of trade. The inability to maintain or expand present markets, or to develop new or larger markets, results in unreasonable and unnecessary waste of the agricultural wealth of this state.

It is, therefore, in the public interest for the producers of California Raisins to establish the California Raisin Marketing Board to conduct market development activities to improve the demand for all categories of raisin usage, including ingredient usage, and for retail packages, both branded and private label.

The Board's mission is to create a positive marketing environment within which the industry can collectively expand the worldwide demand for California Raisins. This is facilitated by:

- Identifying new markets, product and program opportunities through market research.
- Conducting market development activities to improve the demand for all categories of raisin usage, including ingredient usage and for retail package, both branded and private label.
- Coordinating an international marketing program with the Raisin Administrative Committee that may consist of both generic and branded activities including advertising, sales promotion and public relations.
- Conducting production and processing research to improve the quality and functionality of the industry's products.
- Representing the interest of all segments of the California Raisin industry by building positive relationships with the food trade, consumers and government agencies.
- Evaluating the effectiveness of Board programs through advertising tracking studies, econometric modeling or other types of research.

Marketing Order Requirements

THE PURPOSE OF THE ANNUAL REPORT IS TO MEET THE REQUIREMENTS OF THE MARKETING ORDER FOR CALIFORNIA RAISINS.

Pursuant to Article IV, section F of the Marketing Order, this report contains a review of all advertising and promotion plans implemented during 2010/2011 marketing season. This report includes, but is not limited to, the following information:

- A summary of all efforts implemented to measure the degree to which the stated objectives have been achieved
- An overview of all activities that have been undertaken during August 1, 2010 to July 31, 2011
- An analysis of actions that can be taken to improve future performance
- An overview of activities initiated in response to previous years' recommendations, including an analysis of the extent to which these activities have produced the desired results
- 2010/2011 tradeshow and events
- 2010/2011 research projects
- 2011/2012 activities

Sciacciatta con Zibibbo with Blood Orange Raisins - by Craig Ponsford



Summary of All Marketing Efforts and Objectives

PURSUANT TO ARTICLE IV, SECTION F OF THE MARKETING ORDER FOR CALIFORNIA RAISINS, A SUMMARY OF ALL EFFORTS IMPLEMENTED TO MEASURE THE DEGREE TO WHICH THE STATED OBJECTIVES HAVE BEEN ACHIEVED.

OBJECTIVE 1: STIMULATE MARKETPLACE DEMAND FOR RAISINS.

Response: Seven platforms were used in all efforts to stimulate demand for California Raisins.

- Consumer media
- Trade media
- Foodservice (commercial and non-commercial) sector
- School Foodservice sector
- Health and Nutrition sector
- Baking sector
- New Product Development sector

All aspects of pushing demand for California Raisins were folded into each one of the above mentioned platforms over the marketing year 2010-2011.

OBJECTIVE 2: DEVELOP REPORTABLE DATA REGARDING HEALTH AND NUTRITION PROPERTIES OF RAISINS THAT CAN BE USED TO PROMOTE RAISIN DEMAND.

Response: Dr. James Painter, CRMB's Nutrition Research Director, along with the CRMB's Scientific Nutrition & Research Panel are currently working on reportable data, and new data will be utilized in the 2010-2011 year.

OBJECTIVE 3: UNDERTAKE CROP RESEARCH PROJECTS THAT IMPROVE EFFICIENCIES, BOOST QUALITY AND/OR DELIVER OTHER ATTRIBUTES THAT ENHANCE RAISIN APPEAL.

Response: Seven research projects were funded by CRMB in 2010-11: See pages 11-12 for listing.

All of these projects have contributed to efficiencies and quality of California Raisins.

OBJECTIVE 4: ASSURE PRODUCER AND INDUSTRY STAKEHOLDERS UNDERSTAND THE VALUE OF CRMB ACTIVITIES.

Response: The CRMB Raisin Review serves as our growers' newsletter and informed our shareholders of timely marketing activities. Also, the Weekly Update from the office of CRMB's President, provides updates and topics of interest to industry members. Additionally, the CRMB invited Board members to attend key industry events and communicate our message to participants.

OBJECTIVE 5: SAFEGUARD THE STAKEHOLDER ASSETS AND INTELLECTUAL PROPERTY OF CRMB

Response: The approval of the California Department of Food and Agriculture on the proper registration of CRMB intellectual property has been implemented to protect CRMB's most valuable assets. Licensing procedures have been established and are in effect.

OBJECTIVE 6: ASSURE CRMB IS APPROPRIATELY STAFFED, STRUCTURED, AND SUPPORTED.

Response: The CRMB remained fully staffed for the period of August 1, 2010 to July 31, 2011. The CRMB continues to be supported by the two agencies of Mering Carson, and Fleishman-Hillard of Sacramento; as well as the specialized agencies of Mattson, and Culinary Creations.

"American Kobe" Beef Tataki with California Raisin and Crab XO Sauce - by Alexander Ong



Activities

ADVERTISING

Print: Consumer media centered on two releases of Thematics inserts that were featured during the December and February timeframes. Also offered with each insert were “Holiday” and “Look Great Feel Great” recipe books. Total direct in-home mail circulation for the magazines of *Redbook*, *Good Housekeeping*, *Food Network* and *Woman’s Day* topped 20 million. Additionally, we secured three of the publications’ websites home page with a link to LoveYourRaisins.com, driving consumers to our site in search of more recipes.

TV: 2010/2011 saw a larger return to television with four 10 second videos that ran on various segments of The Oprah Winfrey Show, Dr. Phil and the Rachael Ray Show.

On-line:

- New banners for LoveYourRaisins.com.
- Fleishman-Hillard updated LoveYourRaisins.com to include Facebook.

Public relations: Fleishman-Hillard serves as the CRMB’s public-relations partner and on our behalf has executed several promotions:

- Placed press releases on CRMB activities and events with agricultural trade editors both in the valley and across the country.
- Expanded the Registered Dietitian coverage to include a Supermarket registered dietetic group. These key players represent good health and nutrition to the Supermarket chains across the nation.
- Delivered the key message points about California Raisins as a The Wise Choice for healthy snacking to millions of moms through relevant campaigns of Back-to-School and New Year, New You.
- Attended Blissdom, a national convention of key mom bloggers with tremendous success.

Analysis of Actions and Activities

PURSUANT TO ARTICLE IV, SECTION F OF THE MARKETING ORDER, THIS ANNUAL REVIEW INCLUDES:

An analysis of actions that can be taken to improve future performance

Response: Finding an effective means of tradeshow follow up has been an action needed by staff to improve the productivity of such events. The Sage Act database was examined and is now being implemented with nearly all staff trained. Its goals are to manage registration of trade leads, provide a systematic follow-up and reminder vehicle and to make the process of e-mail blasts for invitations, questionnaires and reminders to take a requested action more efficient.

An overview of activities initiated in response to previous years’ recommendations, including an analysis of the extent to which these activities have produced the desired results.

Response: Another goal of the CRMB staff has been to make the tradeshows more productive and improve the value of the contacts made at each event. To that goal, the CRMB contracted with Marc Goldberg of Marketch360, a Tradeshow specialist consultant to review current tradeshow procedures and practices and offer suggestions on improvement of performance by all staff. Actions taken as a result of Marketch360 training include staging a more inviting booth set up, steps to encourage dialogue with prospects, and a review of recipe brochure and distribution post show.

Tradeshows and Events

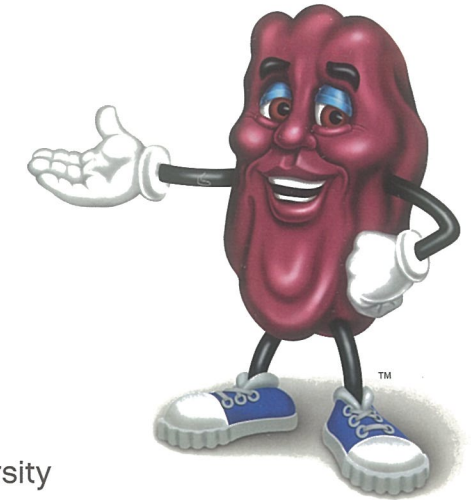
THE CRMB STAFF ATTENDED AND/OR EXHIBITED AT THE FOLLOWING EVENTS IN 2010/2011:

Tradeshows - Industrial and Foodservice

Chef Assist, University of Missouri
 Chef Assist, Colorado State University
 Chef Assist, California State University, Berkeley
 Chef Assist, University of Iowa
 Chef Assist, Villanova University
 Chef Assist, Princeton University
 PlateCooks Culinary Event, Boston, MA
 PlateCooks Culinary Event, Atlanta, GA
 Chefs Table Event, Chicago, IL
 Chef's Table Event - Portland, OR
 American Association of Cereal Chemists
 A Taste of New York, Filming for NY Cable Television
 Menu Directions
 Food Technology, Innovation & Safety Forum 2011
 Worlds of Flavor - Culinary Institute of America
 Worlds of Healthy Flavors - Culinary Institute of America
 Tulare Family Services Dinner
 International Foodservice Editorial Council
 Institute of Food Technologist's (IFT) National

Tradeshows and Events - Consumer

The Big Fresno Fair
 Fall Wine Cornucopia
 Central Valley Grape & Raisin Expo
 Blissdom Social Media Conference
 National Festival of Breads
 The French Pastry School, Raisin Scone Consumer Competition
 The French Pastry School, Raisin Cookie Consumer Competition
 The French Pastry School, Raisin Pie Consumer Competition



Tradeshows - Baking

Chef Assist Baking, Pennsylvania State University
 American Institute of Baking (AIB) Dawn Foods Presentation
 AIB Seminar - All About Baking
 AIB Seminar - Wellness in Baking
 AIB Seminar - Laminated Sweet Dough
 International Baking Industry Exposition
 America's Best Raisin Bread Contest
 American Society of Baking - BakingTech
 American Pie Council Crisco® National Pie Championships
 The Biscuit and Cracker Manufacturers' Association Technical Conference
 International Dairy-Deli Bake Show and Exposition

Tradeshows - Health and Nutrition

American Dietetic Association's Food and Nutrition Conference & Expo
 American Association of Pediatrics California Division Annual Meeting
 Institute of Food Technologists Wellness Conference
 National Institute of Food Technologists
 Diabetes & Obesity Annual Conference

Tradeshows - School Foodservice

Texas Dietetic Association
 California Dietetic Conference
 California School Nutrition Association Conference
 School Nutrition Association National Conference
 Florida Dietetic Conference
 Home Baking Association Annual Board Meeting
 Home Baking Association 4-H National Congress Baking Workshops
 Home Baking Association Summer Board Meeting
 Future Homemakers of America - Fresno

Research

CROP PRODUCTION RESEARCH

Breeding, Germplasm and Evaluation:

Peter Cousins, Breeding Rootstocks Resistant to Aggressive Root-Knot Nematod.

Objective

- To breed, evaluate, and introduce rootstocks that are resistant to aggressive root-knot nematodes, resulting in improved varieties with adaptation to California viticulture.

David Ramming, Development of Improved Raisin Grapes for Mechanical Harvest Including Types Resistant to Powdery Mildew.

Objectives

- Develop and evaluate new natural Dry on the Vine (DOV) raisin grape cultivars for mechanical harvest without cutting canes.
- Develop new raisin cultivars resistant to powdery mildew.
- Develop new raisin cultivars with high anthocyanins, phenolics and antioxidants

Cultural:

Matthew Fidelibus, Node Position, Shoot Emergence, and Yield Components of Cane-Pruned Raisin Grapes.

Objectives

- Characterize and compare the emergence and fruitfulness of shoots from different node positions on canes from 'DOVine', 'Fiesta', and 'Selma Pete' grapevines to a traditional variety 'Thompson Seedless'.
- Determine whether extending the cane length by 5 nodes can compensate for the crop lost by stripping the first five nodes of flowers.
- Compare shoot emergence and fruitfulness of canes on vines subjected to a common commercial practice of light pruning and basal bud stripping, with a more severe conventional pruning and basal bud stripping.

Pest/Disease Management:

William Peacock, Advancing Maturity of Raisin Cultivars Using Potassium Sprays Applied Just Prior or During the Ripening Phase.

Objective

- To advance Thompson Seedless maturity, raisin quality, and raisin nutrition (K content) using potassium sprays applied during the lag and ripening phases of fruit development.

Anil Shresta, Crop Yield and Economics of San Joaquin Valley Vineyards Under Alternative Weed Management Strategies

Objectives

- To evaluate several organically acceptable and alternative weed control practices and organic herbicides (Matran and Greenmatch) in raisin, table, and wine grape vineyards.
- To determine the efficacy of the above weed control methods on vine productivity, yield, and fruit quality.
- To assess the economics of each practice and analyze their impact on greenhouse gas emissions and environment.

Stephen Vasquez, Identifying and Correlating Populations to Fruit Damage in Raisin Production Systems

Objectives

- To identify raisin moth habitat in continuous tray and DOV vineyards in comparison to traditional tray-dried raisin production vineyards.
- To evaluate raisin moth damage in continuous tray-dried and DOV in comparison to traditional tray dried raisins.

Kent M. Daane, Sustainable Controls for Vine Mealybug

Objectives

- Import and evaluate (in quarantine facility) new parasitoids of the vine mealybug (VMB).
- Release and evaluate novel natural enemies in VMB infested vineyards throughout the state.
- Study natural enemy biology to improve their usefulness.

HEALTH AND NUTRITION RESEARCH

Glycemic Control/Sustainable Energy

Dr. Brian Davis, Effects of Carbohydrate Supplementation Type on Exercise Performance after Consecutive Day Exercise Bouts in Marathon.

Satiety

Dr. G. Harvey Anderson, The Effects of a Pre-Meal Raisin Snack on Satiety and Food Intake in Children.

Antioxidant & Disease Prevention

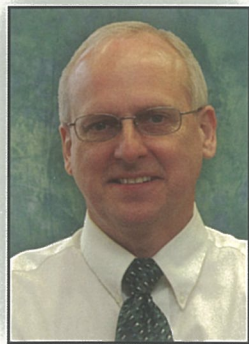
Dr. Harold Bays, A Randomized, Unblinded, Single Research Site, Comparator Study of Raisins Versus Alternative Snacks on Cardiovascular Risk Factors In Generally Healthy Subjects.

Phytochemical Profiles

Dr. Rui Hai Liu, Phytochemical Profiles of Raisins: Isolation, Structure Elucidation, and Their Bioactivities.

Scientific Nutrition Research Panel

The Scientific Nutrition Research Panel (SNRP), is a group of top scientists in the health and nutrition field brought together by the CRMB leadership to provide assistance and give direction to the research done on California Raisins. This group has helped the CRMB make considerable strides in raisin research to benefit consumers. The SNRP members are as follows:



James E. Painter, RD., PhD. is the Chair for the School of Family & Consumer Sciences Department at Eastern Illinois University and is a nationally recognized food psychologist and nutrition educator. He is also an expert on International Food Pyramids which emphasize a proper balance among all food groups in one's diet.

Dr. Painter is our head SNRP and works to coordinate all of the raisin health and nutrition research. He is also the CRMB's primary health and nutrition spokesperson, having appeared as a keynote speaker and panel member at many health and nutrition events, such as the annual American Dietetic Association Expo and the Wellness2011 program put on by the Institute of Food Technologists. He has also appeared on television and radio programs across the nation promoting increased usage of California Raisins as part of the new MyPlate program by the USDA which is a simple reminder that ½ of your plate at each meal should be fruits and vegetables.

Lastly, Dr. Painter also works with the Super RD's (Registered Dietitians) looking for opportunities to promote California Raisins on cooking, health and food shows airing on television and radio.



Rui Hai Liu, M.D., PhD. is from Cornell University and is one of the key food scientists in the world. Dr. Liu is exploring the value of phyto-nutrients in foods that are just now becoming known for their importance. As noted above, Dr. Liu is currently working on a study entitled Phytochemical Profiles of Raisins: Isolation, Structure Elucidation and Their Bioactivities. Once completed, this study is expected to identify a number of nutrients in raisins not previously known. Dr. Liu also assists the USDA as a consultant on such issues as defining and recommending guidelines for added sugar in fruit.

With California Raisins containing no added sugar, California Raisins are positioned to benefit from this effort.



Dr. James Anderson, M.D., from the University of Kentucky, is likely the most distinguished expert in the U.S. on obesity, diabetes, and cardiac disease. Dr. Anderson has published more than 300 papers based on his research and is now preparing his second book related to healthy diets. He assists the CRMB by being the medical monitor on a research project category - Antioxidant and Disease Prevention (mentioned above). Dr. Anderson has provided leadership in the CRMB's decision to pursue the benefits of consuming raisins for those who suffer from obesity and diabetes. He too has served on a variety of panels on these important issues touting raisins.



Rita Grandgenett, M.S., R.D., of Battle Creek, Michigan, has worked in the area of nutrition science at Kellogg's for 10 years and is an expert on the Women's and Infant Care (WIC) Programs administered by the USDA. Ms. Grandgenett has been helpful to the CRMB for getting raisins reinstated in the California WIC program, which in turn should lead to more states authorizing the use of raisins. She has also provided guidance to eliminating the myth that raisins were a choking hazard to small children and gave guidance to Dr. Painter's graduate students who have gotten several major institutions to retract their choking hazard warnings on raisins. The New York Department of Health, the Mayo Clinic and the official journal of the American Academy of Pediatrics are among those having taken raisins off the choking hazard list.



Stacey Bell, D.Sc., R.D., is formerly of Harvard University and has helped the CRMB by identifying top quality researchers in the area of sports nutrition and dental caries. She was a strong proponent of rescinding raisins as a choking hazard and in getting pediatric dentists to promote consumption of raisins as beneficial to teeth. Dr. Bell has also reviewed many of CRMB's past research projects and has gotten them published in scientific journals. This gives the CRMB more credibility for studies not previously published. The raisin industry is fortunate to have such an amazing group of scientists working on the CRMB's behalf to promote California Raisins to other scientists, to state and federal government officials, to policy makers, and to educators.

Agency Backgrounds

CULINARY CREATIONS

Bernadine Ferguson, Foods Consultant, Owner

Culinary Creations has provided free-lance foods consulting services to California-based food processors and marketers since 1983. Bernadine B. Ferguson, founder and owner, has more than 30 years experience in recipe testing and development, product promotions, and consumer education. A master's degree in Food Science, bachelor's degree in Home Economics, and practical hands-on experience with many food products add the professional touch, while her extensive travel brings special flavor and interest to all our consumer connections.

Throughout an association of 30 years with the California Raisin Industry, Bernadine and her staff have provided on-going insights into consumers and foods via Bernadine's former service as Public Member to the California Raisin Advisory Board and later as independent contractor to the California Raisin Marketing Board. Culinary Creations has been integral in:

- Procuring and formatting recipes, computing nutrition information, and posting recipes to LoveYourRaisins.com
- Planning and writing about California Raisins and related items of interest for the grower newsletter, Raisin Review
- Working closely with staff to develop nutrition education and raisin promotion materials for School Foodservice
- Supporting efforts in the Volume Channel with recipe formulation, nutrition analyses and recipe concepts
- Consulting and guiding, along with others, the Health and Nutrition Research as it is related to the marketing plan and public relations
- Providing other support in activities related to the efforts of the marketing order in promoting California Raisins.



FLEISHMAN-HILLARD

Fleishman-Hillard (FH) serves as the California Raisin Marketing Board's public-relations partner. FH is one of the largest and most well-respected public-relations firms in the world. While their reach is global, they are firmly rooted in California. FH works closely with CRMB to handle a wide range of communications for the world-famous California Raisin industry. Examples of activities include:

- Recruiting and training a national network of registered dietitians to help tell the California Raisins' health and nutrition story to both consumers and nutrition influencers and announcing new nutrition research findings that highlight the positive health benefits associated with the California Raisins
- Representing California Raisins' at the countries' premiere mom blogger conferences and offering multiple ways for these social media leaders to engage with California Raisins – including on-line contests, photo/recipe downloads, and interviews and materials that feed into blog post content
- Providing media and online influencers creative and delicious California Raisins' recipes and photography to help promote increased use of the supremely versatile dried fruit
- Leveraging the explosion of digital communications and social media networks to reach mom where she is getting her news, entertainment and healthy eating inspirations.
- Supporting the CRMB's channel development efforts – including publicity of the popular America's Best Raisin Bread contest, as well as raisins' sponsorship of the National Pie Contest competition. This is in addition to ongoing interaction with foodservice editors via the International Foodservice Editorial Council (IFEC) organization.
- Creating programs to reach the country's Spanish-speaking population

The FH/CRMB team is led by senior strategist, Dan Barber and program director, Shelly Kessen, with extensive support of nutrition expert, Allison Beadle, R.D.; digital strategist, David Burk; and project management, social media & media-relations specialist, Julie Berge.



Agency Backgrounds

MATTSON

Founded in 1977 by Pete Mattson, Mattson is the largest independent developer of new products for the food and beverage industry and has been growing steadily since its early days in the San Francisco Bay Area. In 2000, the company became 100% employee owned and is now led by Steve Gundrum, President and CEO.

From conceptualizing new business opportunities to formulating and scaling up new products, Mattson collaborates in many ways with CRMB to create successful new products. This includes helping CRMB identify new product concepts for current and potential new California Raisin customers. Mattson then creates edible “protocepts” of these ideas to illustrate how California Raisins are an ingredient that is a perfect fit for their business. By providing customers with commercially-formulated and processed edible samples, as well as formulas, Mattson helps move CRMB from a supplier to a valued development partner.

Principle personnel

Barb Stuckey, Executive Vice President, Marketing
Carol Borba, Vice President, Innovation



MERINGCARSON

MeringCarson is one of California's leading independent full service advertising agencies with 25 years in business. With locations in Sacramento and North San Diego County, MeringCarson has had great success working on some amazing California brands like California Raisins, CA Grown, Disneyland, Raley's/Bel Air/Nob Hill, and California Tourism. This agency prides itself on being “California's Agency.”

“We work with the California Raisin Marketing Board on a suite of advertising services including, Account Planning and Research, Media Planning and Buying with Post Buy Analysis, Interactive Strategy and Implementation with Reporting Measurement, Creative Development, Graphic Design and Account Management and Brand Stewardship. It's a partnership that allows us to build successful relationships with the California Raisins' target using a heart + head = results approach we call “Meringology” says Dave Mering. “We connect with the audience on an emotional level where the California Raisins brand can enjoy true loyalty.”

A number of key MeringCarson personnel work on the California Raisins brand helping to provide great thinking, great creative and great client service. John Keys, General Manager, and Account Supervisor for California Raisins, has been with MeringCarson for 8 years. Wade Bare, Account Executive, helps manage and steward the California Raisins brand. Cori Boone, Account Planner, initiates a lot of the thinking and heads up the research for California Raisins. Lori Richards and Casey Soulies, Media Planners, provide media planning and buying support. And in the Creative Department, key personnel include Dave Mering – CEO/Creative Director, Greg Carson, Creative Director, Colm Conn, Art Director, and Scott Conway, Senior Copywriter.

MeringCarson

2011/2012 Activities

THE 2011-2012 ACTIVITIES FOR THE CRMB REVOLVE AROUND THE FOLLOWING SEVEN PLATFORMS:

CONSUMER MEDIA

The direct mail Thematics recipe program was expanded this year with a third insertion piece carrying the new Solar Powered Goodness campaign. Inserts over the year in Woman's Day, Good Housekeeping, EveryDay with Rachael Ray, Redbook, Shape Magazine, Fitness, and Food Network Magazine totaled a direct mail circulation of 32.5 million households. CRMB continues on television with 10 second video commercials on The Dr. Oz Show and the Rachael Ray Show. Additionally, a third filming of the New York cable television show "A Taste of New York" brings the total viewership to 12 million.

Print, T.V., On-line:

- Consumer advertising moves from the "lifestyle" format and artwork into the new active Solar Powered Goodness theme, which was consumer tested and approved by stakeholders before being introduced to the public. It combines the Wise Choice health and nutrition message while conveying to the consumer that raisins are grown and dried in the sun naturally. Energy conservation and sustainability are additional message points that fit nicely into the solar powered goodness theme.
- The Solar Powered Goodness theme features children in active outdoor scenes performing extraordinary athletic feats because they are powered by the sun and California Raisins. This also implies the concept of exercise and "let's move," the two components used to combat childhood obesity.
- The Wise Choice and Solar Powered Goodness campaign names have been granted US Government trademarks and debuted in December, 2011.

TRADE MEDIA

Three new components have been added to the trade media mix, Flavor & the Menu and two electronic media components; modern-baking.com and Sosland's fifteen week "Discover America's Bakeries."

FOODSERVICE

Commercial - Use of Dr. Painter and his overeating/obesity message serving as the keynote address will be used in this fiscal year at three commercial foodservice conventions.

Non-commercial College and University foodservice - University of Massachusetts, University of Oklahoma, Iowa State and more colleges will be added.

Scholarships - A \$10,000 donation was made to The French Pastry School of Chicago intern program in the name of CRMB resulting in a two hour seminar using California Raisins in pastries as a required curriculum for all students.

SCHOOL FOODSERVICE

This category will be led by the Weld County School District 6 in Greeley, CO. Thirty two schools in this district are having meals prepared from scratch at a kitchen commissary. The New York Times and School Nutrition magazine are noting and following how the decline of added sugar, salt and fats are being greatly reduced in this process. The CRMB "Chef Assistance" program will be extended into the kitchen commissary at Greeley. The work on converting to kitchen commissaries in lieu of manufactured processed foods in the Denver school district is on the radar for CRMB.

HEALTH AND NUTRITION

The CRMB will continue with Dr. James Painter, (CRMB's Nutrition Research Director) in the food show circuit as a panel discussion leader and keynote speaker at Menu Directions, IFT Wellness 12, The Flavor Experience, five state dietetic conventions and a panel webinar for the National IFT conference.

BAKING

The baking segment will continue to be a major driver for CRMB activity centering on the Fifth Annual America's Best Raisin Bread Contest and the National Pie Championships. Three new organizations will be folded into our CRMB programs: The Bread Bakers Guild, The Retail Purchasing Incentive Association Group and the French Pastry School of Chicago.

NEW PRODUCT DEVELOPMENT

Events such as the Food Technology Innovation Summit and The Next Level Summit are conventions that bring supplier and manufacturer together. The CRMB will be a viable player in the Food Technology Innovation Summit in May 2012 with Dr. James Painter delivering a keynote address covering the health and nutrition message of California Raisin products. Currently, CRMB is booking appointments with lead companies for this show.

Executive Committee

Pictured from left:

DR. NINDY SANDHU

Treasurer

MR. DENNIS WILT

Chairperson

MR. JON MARTHEDAL

Vice Chairperson

MR. STEVE SPATE

Secretary



THE CRMB STAFF WISHES TO THANK THE MEMBERS AND THE ALTERNATES OF THE CALIFORNIA RAISIN MARKETING BOARD.

Term: June 1, 2009 to May 31, 2011

Alan Kasparian
Barry Kriebel
Bill Sahatdjian
Chris Gunlund
Dennis Wilt
Douglas Cords
Edward Fanucchi
Eric Cisneros
Glen Goto
Harold Hilker
Harvey Singh
James Kennedy
Jeffrey Bortolussi
Jon Marthedal
Kathy Merlo
Kenny Bedrosian
Kristina Sahatdjian
Manuel Medeiros
Michael Koligian
Michael Mikaelian
Mitch Sangha
Monte Schutz
Nindy Sandhu
Rick Stark
Robert Sahatjian
Ron Kazarian
Steve Spate
Vaughn Koligian
Victor Sahatdjian

Term: June 1, 2011 to May 31, 2013

Alan Kasparian
Barry Kriebel
Chris Gunlund
Dennis Wilt
Douglas Cords
E.G. Huter
Edward Fanucchi
George Salwasser
Glen Goto
Harold Hilker
Harvey Singh
James Kennedy
Jeffrey Bortolussi
Jon Marthedal
Kathy Merlo
Ken Shinkawa
Kimberly Bedrosian
Manuel Medeiros
Micael Bedrosian
Michael Koligian
Monte Schutz
Nindy Sandhu
Randy Cervelli
Rick Stark
Ron Kazarian
Stacy Creasy
Steve Spate
Vaughn Koligian
Victor Sahatdjian



President's Executive Summary

The work of the California Raisin Marketing Board for the 2010-2011 crop year is truly a picture of success. A declaration by the Raisin Administrative Committee of 100% free tonnage for all raisin varieties and a field price established by the Raisin Bargaining Association of \$1,500 per ton for Natural Seedless raisins created the economics for the growers in the San Joaquin Valley not seen since 1978.

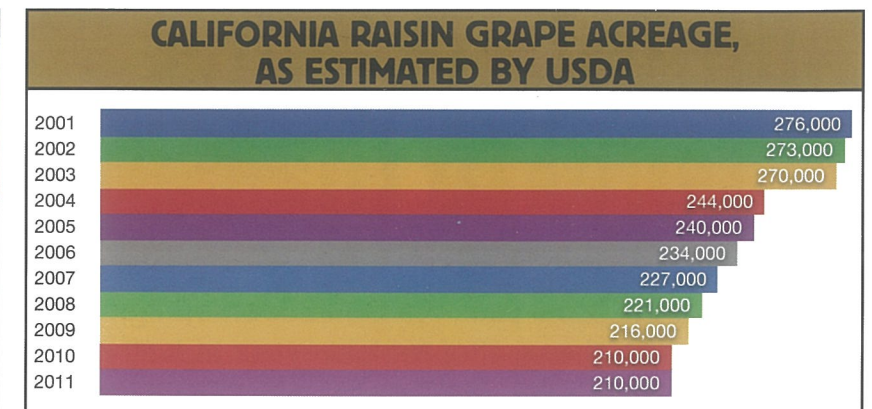
The successful work of the Board, the staff, the Scientific Nutrition Research Panel, the crop scientists, consulting chefs, agencies and all others involved with our industry are described in detail in this annual report. Your dollars have been wisely spent!

I have also provided raisin industry data as compiled by USDA and the RAC for your enjoyment. As you may see, the supply and demand for California Natural Seedless raisins is again in balance.

More information is always available at our website: LoveYourRaisins.com and if you would like to be on the distribution list for the Raisin Industry Weekly Update, an electronic newsletter, please contact me at gary@raisins.org or by calling (559) 248-0287.

CALIFORNIA NATURAL SEEDLESS RAISIN SHIPMENTS, PACKED TONS							
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Natural Seedless Deliveries to Handlers	254,652	306,361	271,679	316,116	349,697	285,098	336,616
Domestic, Canada & Mexico Shipments	193,680	186,358	188,944	193,609	191,929	186,176	180,344
Exports	106,755	97,672	101,684	142,541	125,789	152,246	129,197
Total Shipments	300,435	284,030	290,628	336,150	317,718	338,422	309,542

NATURAL SEEDLESS INVENTORIES, FREE TONNAGE AND RESERVE SWEATBOX TONS	
Crop Year	Total Carry-in
1980-81	70,145
1981-82	100,703
1982-83	93,152
1983-84	84,503
1984-85	162,265
1985-86	186,046
1986-87	199,176
1987-88	133,517
1988-89	146,703
1989-90	136,722
1990-91	200,980
1991-92	211,004
1992-93	163,747
1993-94	170,351
1994-95	153,470
1995-96	202,854
1996-97	137,679
1997-98	93,071
1998-99	164,657
1999-00	101,946
2000-01	138,503
2001-02	269,319
2002-03	236,860
2003-04	262,250
2004-05	196,361
2005-06	141,049
2006-07	160,930
2007-08	126,294
2008-09	106,896
2009-10	138,978
2010-11	83,214
2011-12	110,206
Average	152,611



2010 RAISIN CROP

Comparative Data for Deliveries to Handlers, in sweatbox tons, as compiled and released by the Raisin Administrative Committee:

Variety	2010/2011	2009/2010	2008/2009
Natural Seedless	354,878	298,532	364,268
Dipped Seedless	4,440	3,827	4,845
Golden Seedless	21,827	17,008	19,782
Zante Currants	3,468	2,708	2,912
Sultanas	66	63	67
Muscats	6	8	5
Monukkas	140	155	287
Other Seedless	11,351	7,304	6,529
Other Seedless Sulfured	809	413	521
Total	396,983	330,019	399,217

2010-11 SHIPMENTS OF NATURAL SEEDLESS RAISINS BY COUNTRY OF DESTINATION, PACKED TONS

RANKING	Country	Tonnage	% compared to 2009-10
1	United States	169,125	-3%
2	United Kingdom	18,592	-41%
3	Japan	17,412	-18%
4	Germany	13,240	-27%
5	China*	12,262	22%
6	Canada	11,219	-5%
7	Sweden	5,350	-20%
8	Mexico	5,050	28%
9	Denmark	4,834	-17%
10	Taiwan	4,611	-11%

* Historically, a large volume of shipments to China are transhipped to Japan as a final destination.

California Raisins Respond to Craisins

At the end of the fiscal year, the CRMB learned that Ocean Spray® was preparing to launch a campaign with the goal of replacing our industry's mainstay product and move Craisins, a sweetened dried cranberry, into the No. 1 dried fruit in the world. Evidence showed Ocean Spray's Craisins were:

- Ready to launch a Pepsi-challenge type of taste comparison
- Aggressively promoting at the retail level and in media advertising
- Partnering with all Disney theme parks to serve and promote their product in the snacking and foodservice categories

When Craisins were introduced 18 years ago, they were thought to be a novelty item, but Craisins have made steady inroads into the dried fruit category over the years. Sweetened dried cranberries now stand as the No. 2 dried fruit item with a 13% share of tonnage, directly behind California Raisins' 41% share of tonnage, according to Mintel Research.

To protect raisin market share and to analyze how real this threat/campaign was to our raisin industry, the CRMB formed a work group of board members, staff, advertising agencies, and consulting scientists. After several meetings, CRMB staff and agencies prepared a separate marketing campaign aimed at solidifying the California Raisin's No. 1 position in the category and to put a halt to the growth of Craisins. In September, the CRMB Marketing Subcommittee and Board met to discuss a possible marketing response and a special assessment to growers of \$5.00 per ton for the 2011/2012 crop was unanimously approved.

Currently, work is underway to finalize our campaign (anticipated launch of February 2012) which will emphasize the natural goodness of California Raisins versus the highly processed, sugar-added Craisins. Research proves that the nutrient content of California Raisins is concentrated during the sun-drying process which is vastly different to the nutrient content of a Craisin, which is significantly lost during the manufacturing process. And, the research shows that consumers think California Raisins and Craisins are made the same way and have similar nutrient values. The new California Raisin campaign will set the record straight. As more details are finalized, check out LetsKeepItReal.com to see the whole story about California Raisins versus Craisins.

California Dried Fruit Coalition (CDFC)

Four years ago, the CDFC consisting of the California Raisin Marketing Board, the California Fig Advisory Board, the California Dried Plum Board and the California Date Commission was formed. The managers of the commodity boards named, as well as senior executives of leading companies in the industries serve as board members of the CDFC. Additionally the CDFC partners with Sun-Maid, Sunsweet, Mariani Packing Co., Inc, Valley Fig and Hadley Dates. The primary objective was to seek re-instatement in a USDA after-school snack program called the Fresh Fruits and Vegetables Program (FFVP), which was coming out of its initial pilot form. In its original form, dried fruit and nuts were included, as participants recognized that fresh fruits and vegetables were often in limited supply during much of the school year and the important concern was to have year-round product available. However, as the program was expanded nationally and was influenced by the lobbying group - United Fresh Fruit & Vegetable Association - it was limited in scope to serving only fresh fruits and vegetables.

So, the four California no added-sugar dried fruit commodity groups joined forces to seek re-instatement in the Fresh Fruits and Vegetables Program. While the CDFC has yet to accomplish the reinstatement, the coalition has petitioned Congress and the USDA for re-instatement and in the process has helped our legislators and bureaucrats realize that good nutrition can be achieved by dried fruits in their traditional form, that is, with no added-sugar. The coalition has become a source of shared research by the members and has helped to inspire a position paper that was presented at the International Nut and Dried Fruit Congress in Budapest in 2011. At this conference, the statement was made that traditional dried fruits were the nutritional equivalent of their fresh fruit counterparts.

The CDFC received approval from the State of California to reinstate the dried fruits (aforementioned) in the WIC (Women, Infants and Children) program for low-income women. And, as obesity and diabetes continue to be a significant health problem in the US, the work of the CDFC remains important, and the coalition is continuing their education efforts via group participation in activities such as the Appetite for Health segment on NewsWatch, which is a nationwide consumer oriented show that features top news stories and The Daily Buzz, a syndicated morning news program that airs in over 170 television markets across the United States, reaching a total audience of 37.8 million people. Rich Peterson, formerly with the California Dried Plum Board, was appointed CDFC Executive Director in January 2011 and is now leading the group and achieving their goals.

CRMB Statement of Activities

Year Ended July 31, 2011

Revenue:

Assessments	\$7,940,939
Interest	22,129
Miscellaneous	156
Total revenue	<u>7,963,224</u>

Expenses:

General and Administrative:

Salaries	325,306
Payroll taxes	26,883
Retirement-employer contribution	28,847
Employee benefit administration	2,378
Staff Education and Training	6,419
Insurance-General	48,567
Insurance-Group Health	94,707
Rent	78,243
Utilities	8,003
Telephone	9,124
Postage	24,427
Office supplies	8,324
Repairs and Maintenance	7,526
Memberships and Surveys	61,807
Consulting – HR/General Counsel	922
Consult-Trademark Registration	23,382
Auditing Fees	8,400
Equipment Lease	19,083
Equipment Purchase	1,171
Equipment Write-off due to Policy Change	11,553
Depreciation Expense	5,410
Travel-Committee	4,248
Travel-Office	7,487
Committee Meetings	3,586
Bank Charges	10,567
Bad Debt	2,580
Software/Programming	7,287
Legal Fees	206,440
Product Samples	20,145
Marketing Branch	66,470
Support Services	235,000
Equipment reimbursement	15,000
Special Activities-Miscellaneous	8,198
Total General and Administrative	<u>1,387,490</u>

Marketing Activities:

Culinary Institute of America	90,887
California Dried Fruit Coalition	55,000
National Grape and Wine Initiative	<u>10,000</u>

Advertising Public Relations & Publicity:

Account Management Fee	27,375
Pre-Production	103,370
Media Buy-Consumer	1,058,793
Media Buy-Trade Publications	288,049
Media Buy-Online	531,217
Website Development and Maintenance	171,618
Public Relations	<u>641,322</u>

Printing-General Use

15,141

Channel Development:

Foodservice	62,097
Industrial Manufacturing	73,648
Baking, Snacking, and Confectionery	272,919
School Foodservice	<u>170,171</u>

Trade Shows/Event Marketing:

Foodservice Trade Shows	105,827
Industrial Trade Shows	87,119
Baking, Snacking, and Confectionery	138,122
School Trade Shows	30,461
Health Trade Shows	110,829
Event Marketing	<u>34,060</u>

Research:

Market Research	67,991
Health and Nutrition Research	456,810
Food Research and Development	20,118
Crop Research	<u>127,765</u>

Minor Varietals:

Goldens, Zantes and Other Minor Varietals Domestic	120,480
Total Marketing Activities	<u>4,871,189</u>
Total Expenditures	<u>6,258,679</u>

Excess Revenue Over (Under) Expenditures

-

Change in Net Assets

1,704,545

Fund Balance/Net Assets:

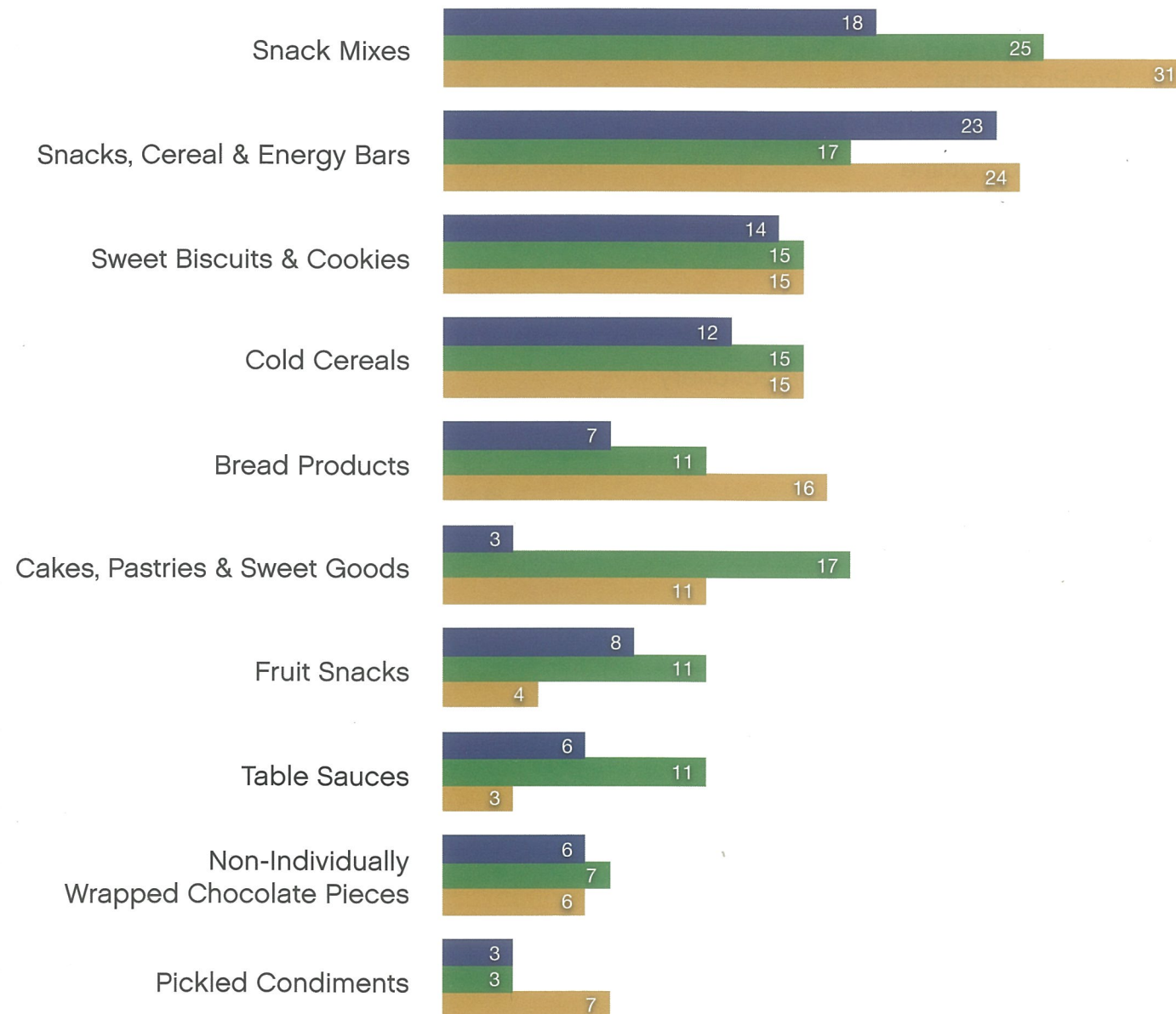
Beginning of Year	8,893,153
End of Year	<u>10,597,698</u>

Management Notation: \$866,742 included in assessment revenue has been deposited into escrow at the direction of the California Department of Justice pending the outcome of litigation.

New Raisin Products

NUMBER OF NEW RAISIN PRODUCTS 2009-2011

Source: Mintel Global New Products database.



Legend: 2009 2010 2011

Staff

Pictured from left:

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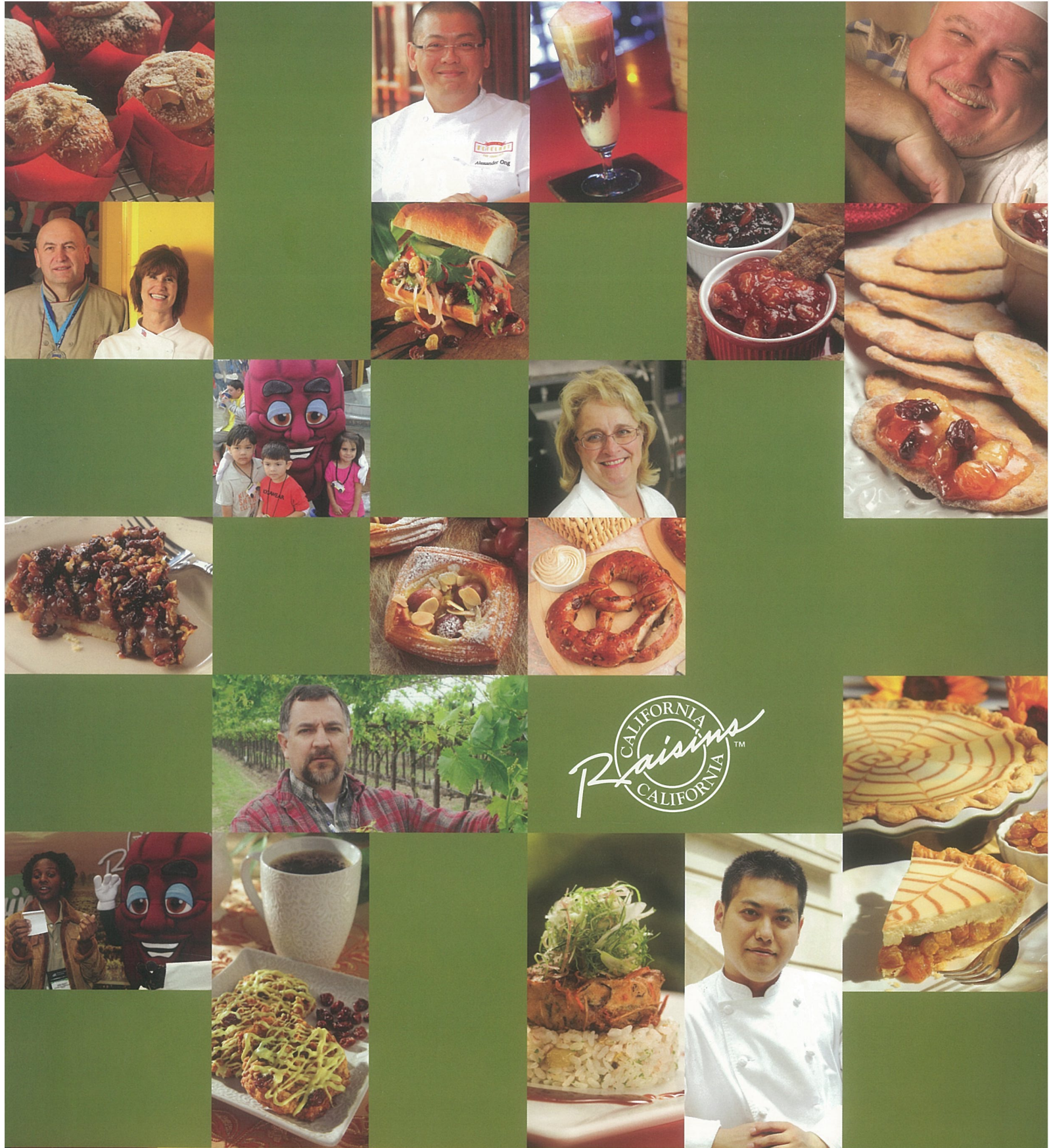
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