

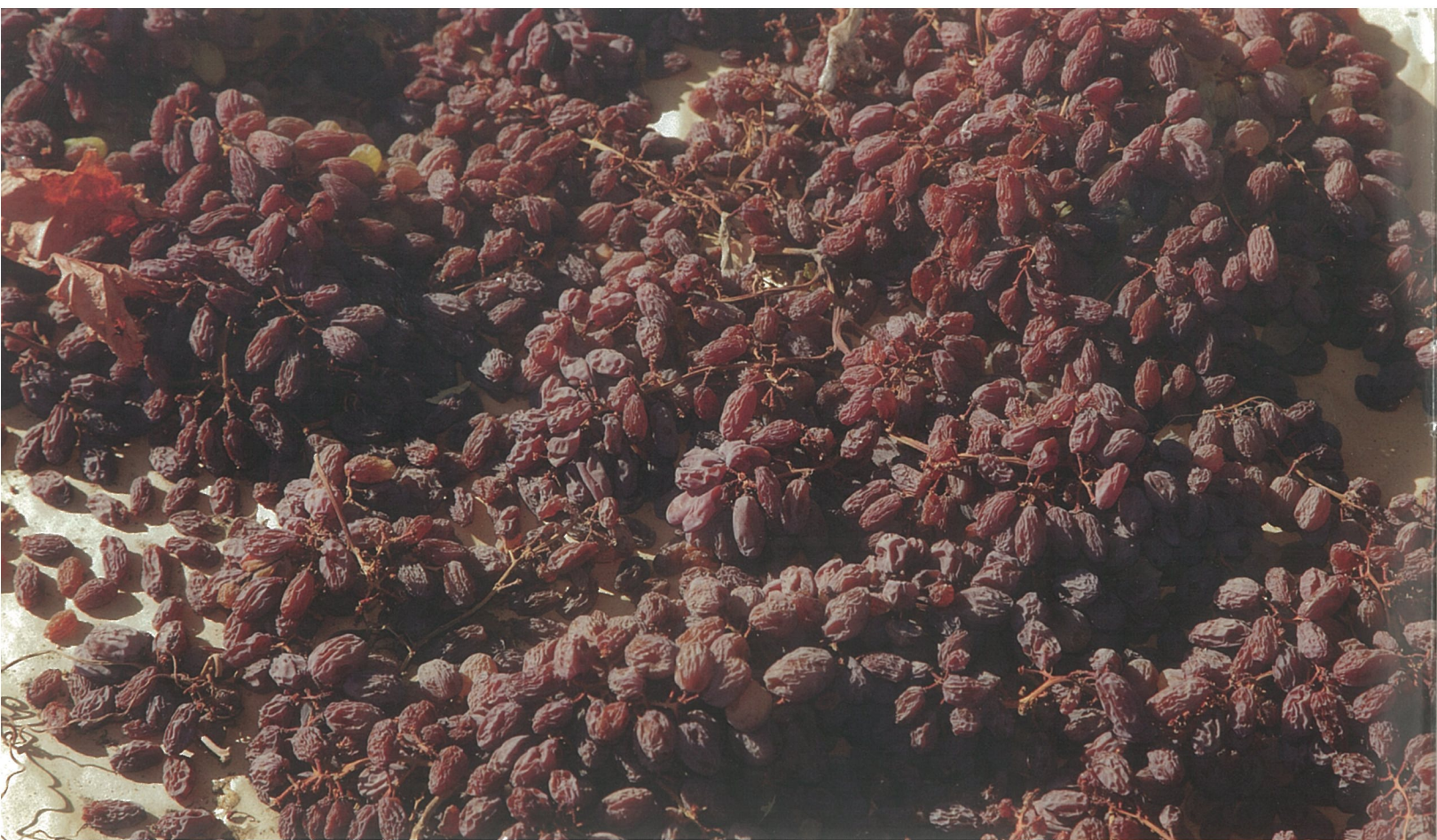


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*California Raisin Marketing Board*  
2011/2012 ANNUAL REPORT





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This 2011-12 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.

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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:

### Health & Nutrition Research Takes Center Stage.

Breakthrough health and nutrition research in the 2011-12 marketing year has helped to reshape our industry's message to health professionals and concerned consumers as well. I would like to highlight one study by Dr. Harold Bays (Louisville Metabolic & Atherosclerosis Research Center) and Dr. James Anderson. This California Raisins and Heart Disease study was carried out over 12 weeks with generally healthy men with pre-hypertension. It was shown that consuming three one ounce packs of raisins per day led to a blood pressure reduction of up to 7% and a reduction in post meal glucose levels by as much as 16%.

This study was one of only 13 published by the American Academy of Cardiologists from 700 submissions at their March 2012 annual meeting. The results of this study have been published in over 100 newspaper and magazine articles around the world, as well as in presentations by Dr. James Painter and by our registered dietitians who speak directly to consumers. Other studies on Satiety and Sports Nutrition for Distance Runners were also completed with encouraging results. More details can be found on page 13. Our Public Relations agency is also gaining great exposure to consumers from these two studies.

In 2011-12, we also saw another round of price increases paid to growers for our crop and deliveries of 346,123 tons of Natural Sun-dried Seedless California Raisins. This helped many of our growers to reinvest in their farms to ensure better and more efficient production in years to come.

On the advertising and promotion front, we continued with our "Wise Choice Campaign" and the "Solar Powered Goodness" print and TV ad executions. More than 800 cable TV spots aired across the U.S.

Over the past seven years as your Chairman, I've seen our industry strengthen its financial position, make major strides in our advertising messaging, spread our health and nutrition message via Public Relations to over 300 million consumers per year and reach the brink of launching a new raisin variety more resistant to powdery mildew and capable of being dried and harvested without the cutting of canes.

As I approach my last year of service to the CRMB as your Chairman, I am now more confident than ever that our industry will not just survive, but thrive in this competitive world of food marketing. My family farm and the Sun-Maid organization have both reached 100 year anniversary milestones this past year, an amazing achievement in a difficult environment.

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 California Raisin Marketing Board an asset to the industry.

*Dennis Will*



# 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 2011/2012 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, 2011 to July 31, 2012
- 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
- 2011/2012 activities
- 2011/2012 tradeshow and events
- 2011/2012 research projects

### South of the Border Bowl

Hearty meal of seasoned ground beef and bean salad layered in a bowl.



# 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 our efforts to stimulate an increase in demand for California Raisins.

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

**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 Scientific Nutrition & Research Panel, is currently working on reportable data. Five new research projects were submitted for peer review and publication in 2011-12 and the new data will be utilized as soon as published.

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

**Response:** Four research projects were funded by CRMB in 2011-12. Each 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' quarterly newsletter and it informs our stakeholders 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 has included Board members in key industry events.

**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, 2011 to July 31, 2012. The CRMB continues to be supported by the two agencies of Mering Carson, and Fleishman-Hillard (FH); as well as the specialized agencies of Mattson, and Culinary Creations.

**California Golden Raisin Tequila Salsa**

*Amazing tequila-plumped raisins in a tangy Tex-Mex salsa.*



## Activities

### ADVERTISING

This year presented a significant shift away from the stylistic ads showing Moms in lifestyle situations to ads that were created under the banner of "Solar Powered Goodness" and featured children doing extraordinary feats with the energy they gained from eating dried-by-the-sun California Raisins. This new execution meant a complete revamp of all advertising, and it was unanimously endorsed by the California Raisin Marketing Board. The objective was to shoot all new material in print, electronic media, and online advertising. Mering Carson successfully met the production time table.

**Print:** 2011/2012 saw the return for the third edition of the Thematics print ads during the Holiday season in Redbook, Good Housekeeping, Everyday with Rachel Raye, Food Network and Cooking Light. These editions delivered California Raisin recipes geared toward the Holiday Season via an insert in each of the publications.

**TV:** Television spots, "Pelaton" and "Soap Box," were filmed in spring 2012 and aired from March to May, approximately 800 times on selected cable channels nationally, showing vividly how young active children can be portrayed in energetic outdoor scenes. Channels purchased were the Food Channel, A&E, the Entertainment Channel and HGTV; all geared to capturing the attention of upscale moms.

**On-line:** Online banner and strip ads were used throughout the year to catch consumers' attention on a variety of recipe sites, such as Google, the Food Channel, Punchfork, Bon Appetite, and others.

**Public relations:** Advertising is paid media placed where and when we want it for a fixed cost. In our public relations efforts, it is the agency's goal to seek non-paid placement of our messages on TV, in print and online. The CRMB worked with the Fleishman-Hillard (FH) Sacramento office as our public relations firm and the FH staff ran contests to encourage physical activity among raisin-eating kids, such as the California Raisins' Give Your Kids a Day in the Sun Program. They also attended the BlogHer event devoted mostly to food, healthy diet and lifestyle. Other activities were the Super RD Network wherein media savvy Registered Dietitians were able to teach consumers the value of California Raisins as a snack or food ingredient through the demonstration of "quick-to-fix" recipes.

## Analysis of Actions and Activities

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

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

**Response:** Partial expansion of the raisin health & nutrition story through the efforts of Dr. Painter and the Scientific Nutrition Research Panel was a major objective in the 2011-12 year. As a starting point, we moved into the areas of diabetes, heart health, and health conscious non-commercial feeders.

#### 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:** Before the close of the 2011-12 fiscal year, Dr. Painter was the featured keynote speaker at the Oregon Diabetic Association, which led to an invitation to be a keynote speaker at two Take-Control-of-Your-Diabetes (TCOYD) conventions in 2013.

Additionally, the 2012 release and peer review of the L-MARC study on blood pressure and blood glucose will lead to increased medical convention presence of Dr. Painter and hence the expansion of the heart healthy raisin story. The keynote presentation by Dr. Painter at the 2012 Society of Foodservice Managers, combined with Scientific Nutrition Research Panel projects have lead to 2013 presentations to the health-conscious non-commercial feeders at Blue Cross/Blue Shield, Deerwood, Florida campus headquarters and the American Family Insurance corporate headquarters in Madison, Wisconsin.

#### Bean Salad with Artichokes

*Healthy, hearty vegetarian side dish or salad bursting with color.*





# Special Assessment Campaign Overview

## “LET’S KEEP IT REAL”

In mid-2011, California Raisin growers approved a special assessment in light of a competitive volley from the makers of Craisins®. As the manufacturer announced plans for a Craisins vs. Raisins Challenge, the California Raisin Marketing Board (CRMB) – along with Fleishman-Hillard and Mering Carson – created a special assessment-funded “Let’s Keep It Real” educational campaign to spread the word about all-natural, no-added-sugar California Raisins contrasted against sugar-added dried cranberries. Special assessment campaign activities included:

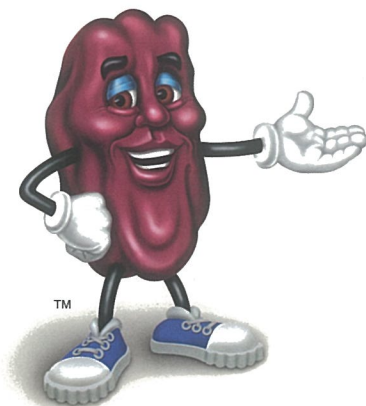
**Research:** Focus groups among moms and registered dietitians were conducted in St. Louis and Sacramento. The findings were remarkable in the consistency in which the audiences craved “real, natural, minimally processed foods” for themselves, their families, and in the case of the dietitians, their clients.

In addition to the focus groups, a national telephone survey was fielded among 1,000 mothers about their attitudes and opinions toward healthy snacking. The survey results indicated nearly two-thirds of the moms surveyed were concerned that their kids were consuming too much added sugar. Additionally, the survey revealed 85 percent of moms believed that natural foods were healthier than highly processed choices.

Interviews were also conducted among food manufacturing executives to determine their attitudes and opinions about dried fruit ingredient preferences. This research was followed by development of trade advertising that appeared in key food industry trade publications.

**Key Message Development:** The CRMB and Fleishman-Hillard engaged a team of registered dietitians, including Dr. James Painter, CRMB’s national nutrition advisor, to help craft and confirm the educational claims to ensure accuracy. The result was a powerful suite of research-informed messages and proof points. The overarching “Let’s Keep it Real” messages included: California Raisins are an all-natural, dried-by-the-sun food with no-added-sugar. The ingredient label says it all: Raisins.

**Microsite and Social Media Integration:** The messages became the bedrock of the “Let’s Keep it Real” campaign and were used throughout all campaign assets, including the “Let’s Keep it Real” microsite that featured powerful videos of the focus group moms reacting to the key campaign facts for the first time, a compare-and-contrast video, as well as numerous descriptive graphics. To accompany the microsite, a Facebook engagement opportunity was created where consumers could sign-up to take the “Let’s Keep it Real” Healthy Snacking Challenge.



**Registered Dietitian Outreach and Engagement:** Nutrition influencers were pivotal to the success of the “Let’s Keep it Real” campaign. We sought and secured comment from the Produce for Better Health Foundation, as well as numerous additional registered dietitians whose quotes and related content were featured on LetsKeepItReal.com. An in-depth educational toolkit mailing was created for registered dietitians, and they were also targeted through distribution of a SmartBrief for Nutritionists dedicated email newsletter.

**Media Outreach:** Along with coverage in the agricultural trades and Fresno media outlets, a front page Los Angeles Times article broke the news of the “Let’s Keep It Real” campaign. The Times article was followed with a national media blitz that included distribution of a news release featuring the focus- group videos and infographics; an in-market broadcast series with highly credible registered dietitians disseminating the “Let’s Keep It Real” key messages; and, extensive media-relations outreach to print and online outlets.

**Blogger Integration:** The “Let’s Keep it Real” campaign resonated among the highly influential mom blogger community, particularly at BlissDom – one of the country’s leading mom blogger conferences. There, the exceptionally popular “Let’s Keep it Real” café, was set up where we had the opportunity to talk one-on-one with influential bloggers about healthy, wholesome California Raisins. While at the café, bloggers enjoyed no-added-sugar snacks while posing for photos with the world-famous California Dancing Raisin.

**Grower Communications:** Throughout the entire “Let’s Keep it Real” effort, California Raisin growers were apprised of the program activities and results via a presentation at the annual grower symposium, presentations and updates at the CRMB meetings, coverage in various agriculture trade publications and the local Fresno and Central Valley media, as well as articles in the Raisin Review grower newsletter.

## Campaign Highlights:

- Nearly **93 million media impressions**, including coverage in the Los Angeles Times, Fresno Bee, Chicago Tribune, The Dallas Morning News, New York Post, Huffington Post, Toronto Star, Food in Canada, Western Farm Press and Progressive Grocer.
- In-depth, nationally syndicated broadcast coverage reached more than **100 markets** coast-to-coast via the “Daily Buzz” morning show. This was in addition to major market coverage in **Atlanta, Boston, Denver, Washington, D.C., Indianapolis, San Diego, Fresno, Phoenix and Nashville**.
- Direct interaction with more than **450 bloggers** at the Blissdom blog conference; **200 photos** posted of the bloggers with the California Raisin; and, **150 tweets** resulting in **304,000 social media impressions**.
- Additionally, numerous bloggers wrote about their healthy snacking habits and about the snack challenge on their blogs, Twitter feeds, and Facebook walls resulting in **619,000 social media impressions**.
- The campaign attracted more than **10,000 unique visitors** to LetsKeepItReal.com translating into **17,521 page views**. More than **10,819 consumers** were reached via the Facebook integration and another **434** opted into the “Let’s Keep it Real” Healthy Snacking Challenge. **891 new Facebook likes** were accumulated during the campaign.



# Research

## CROP PRODUCTION RESEARCH

### Breeding, Germplasm and Evaluation:

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

**Objective:** To breed, evaluate, and introduce rootstocks that are resistant to aggressive root-knot nematodes, resulting in improved varieties with adaptation to California viticulture. To achieve this objective, we will evaluate the root-knot nematode resistance of 4,000 grape rootstock seedlings and select resistant seedlings for advancement to the field, evaluate the rooting ability of 90 rootstock selections and confirm nematode resistance of easily rooted selections.

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

**Objective:** To 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 and 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.

**Objective:** Develop cane length, stimulate bud fruitfulness, and productivity data to help guide pruning decisions for dry-on-vine raisin grape cultivars on overhead arbor and open gable trellises.

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

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

## HEALTH AND NUTRITION RESEARCH

### Sustainable Energy:

Miami Research Associates, A Randomized, Open Label, Crossover, Active Comparator Clinical Trial to Evaluate the Effects of Raisins on Feelings of Energy and Well Being in Healthy Mothers.

### 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.

# Tradeshows and Events



## THE CRMB STAFF ATTENDED AND/OR EXHIBITED AT THE FOLLOWING 48 EVENTS IN 2011-12:

### Tradeshows - Industrial and Foodservice

Chef Assist, Princeton University  
 Chef Assist, North Carolina State University  
 Chef Assist, University of Oklahoma  
 Chef Assist, Iowa State University  
 Chef Assist, University of Akron  
 Chef Assist, Weld County District 6, Greeley, Colorado  
 Chef Assist, University of Maryland  
 The Flavor Experience  
 Culinary Institute of America, San Antonio  
 Latin Flavors, American Kitchens  
 The Fresno Food Expo  
 A Taste of New York, Filming for NY Cable Television  
 Menu Directions  
 Food Technology, Innovation & Safety Forum 2012  
 Worlds of Flavor - Culinary Institute of America  
 Restaurant Leadership Conference  
 International Foodservice Editorial Council

### Tradeshows and Events - Consumer

BlogHer Conference  
 The Big Fresno Fair  
 Fresno County Farm & Nutrition Day  
 Central Valley Grape & Raisin Expo  
 Blissdom Social Media Conference  
 The French Pastry School,  
 Raisin Scone Consumer Competition  
 The French Pastry School,  
 Raisin Cookie Consumer Competition  
 The French Pastry School,  
 Raisin & Fruit Pie Consumer Competition  
 The French Pastry School,  
 Raisin Ice Cream Social  
 Clovis Farmer's Market Raisin Party

### Tradeshows - Baking

Chef Assist Baking, University of Massachusetts  
 All Things Baking 2011  
 AIB Formulating Seminar  
 America's Best Raisin Bread Contest  
 American Society of Baking  
 BakingTech 2012  
 American Pie Council Crisco®  
 National Pie Championships  
 International Dairy-Deli Bake Show and Exposition  
 Whole Grain Summit 2012

### Tradeshows - Health and Nutrition

Society for Foodservice Management  
 Academy of Nutrition and Dietetics  
 Food and Nutrition Conference & Expo  
 Wellness Conference  
 West Virginia Dietetic Association  
 Florida Dietetic Association's Annual Symposium  
 National Institute of Food Technologists, webinar

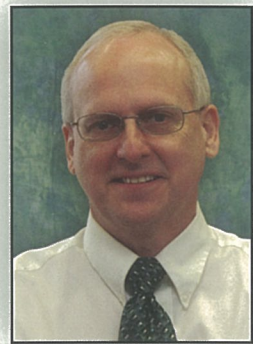
### Tradeshows - School Foodservice

Texas Academy of Nutrition and Dietetics Exhibition  
 California Dietetic Association  
 Annual Meeting & Exhibition  
 Florida Dietetic Association and Annual Symposium  
 Home Baking Association  
 Summer Board Meeting  
 Home Baking Association  
 Annual Board Meeting  
 Home Baking Association  
 4-H National Congress Baking Workshops  
 Future Homemakers of America, California,  
 State Leadership Meeting



# Scientific Nutrition Research Panel

For the last four years, the CRMB is fortunate to have created a Scientific Nutrition Research Panel, a group of top scientists in the nutrition and health field brought together to provide assistance and give direction to the research done on California Raisins. One of the key missions of the CRMB is to conduct health and nutrition research, the result of which is to be used to promote our products to health professionals and consumers. One example in 2011-12, California Raisins conducted a study with the Louisville Metabolic and Atherosclerosis Research Center (LMARC) on men with pre-hypertension. Those tested were asked to eat 3-1 oz. packs of raisins per day for 12 weeks. The test findings showed that those tested saw a significant drop in their blood pressure and in the post meal blood sugar. This information was conveyed to health professionals and to consumers around the world both by our panel members and via our PR agency.



**Dr. James E. Painter, RD., PhD.** is the Director of Research for the CRMB, and works to coordinate all of our health and nutrition research. He is also our primary spokesperson, having appeared as a keynote speaker and panel member at approximately 20 different major health and nutrition events, such as the annual Academy of Nutrition and Dietetics' Food and Nutrition Conference and Expo and the Wellness Program for the International Food Technology group. He has also appeared on television and radio programs across the U.S., promoting increased usage of California Raisins as part of the MyPlate program by Produce for Better Health (PBH). PBH fosters an environment where people can include fruits and vegetables at every eating occasion and touting the benefits of all natural, no-added-sugar, sun-dried California Raisins.



**Dr. Rui Hai Liu, M.D., PhD.** is one of the key food scientists in the world, from Cornell University, and is exploring the value of phyto-nutrients in foods that are just now becoming known for their importance. In addition to being a panel member, Dr. Liu is currently working on a study entitled Phytochemical Profiles of Raisins: Isolation, Structure Elucidation and Their Bioactivities. Once completed, this study should identify a number of nutrients in raisins which may be unique to our product. Dr. Liu also assists the USDA as a consultant on such issues as defining and recommending guidelines for added sugar in fruit.



**Dr. James Anderson, M.D.** recently retired from the University of Kentucky, is the most distinguished expert in the U.S. on issues related to 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 continues to assist the CRMB by being the medical monitor on the research project category - Antioxidant and Disease Prevention being conducted by Dr. Harold Bays of LMARC Research Company. Dr. Anderson has provided leadership in our decision to pursue the benefits of consuming raisins for those who suffer from obesity and diabetes.



**Rita Grandgenett, M.S., R.D.** of Battle Creek, Michigan, has worked in the area of nutrition science for the Kellogg Company for more than 10 years, and is an expert on the Women, Infants and Children Programs (WIC) administered by the USDA. Rita has been helpful to the CRMB for getting raisins reinstated in the California WIC program, which could 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 hazard warnings on raisins, including The New York Department of Health, the Mayo Clinic and Pediatrics, and the journal of the American Academy of Pediatrics.



**Dr. Stacey Bell, D.Sc., R.D.** is formerly of Harvard University, 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 continues to review our completed research projects and has gotten them published in scientific journals. For the next fiscal year, Dr. Bell will be appearing at a symposium on healthy eating co-sponsored by the Harvard Medical Center and the Culinary Institute of America. She will be presenting the results of the LMARC study described earlier to Medical Doctors who are attending the event to learn how to better care for their patients' nutrition needs.

We are 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 and policy makers and to educators. Additionally, the CRMB is fortunate to have the input of Dr. Arianna Carrughi, employed by Sun-Maid Growers, as a contributing member to the SNRP group. She has completed a compendium of all research on raisins around the world and the SNRP panel has used that information for improved direction and focus.



# Agency Backgrounds

## CULINARY CREATIONS

Bernadine B. Ferguson, owner and founder, worked tirelessly for the CRMB in 2011-12 and is now enjoying her retirement.

With over 34 years in the California raisin industry, Bernadine and her staff provided on-going insights into consumers and foods via Bernadine's service as Public Member to the California Raisin Advisory Board and as independent contractor to the California Raisin Marketing Board. Over the years, Culinary Creations has been integral in:

- Maintaining the recipe database at LoveYourRaisins.com by procuring and formatting recipes, computing content, and posting recipes and photos to these websites
- Working closely with staff to develop nutrition education and raisin promotion materials for School Foodservice
- Supporting efforts to enhance the website with recipe formulation, nutrition analyses and recipe concepts.
- Consulting and guiding Health and Nutrition Research as it is related to the marketing plan.
- Providing other support services in copy writing, editing and proof reading, as well as participating in activities related to the efforts of the marketing order as it promotes California Raisins.

***We wish her well.***



## FLEISHMAN-HILLARD, INC.

Fleishman-Hillard (FH) serves as the California Raisin Marketing Board's public-relations agency. The FH team works with the CRMB to handle a wide range of communication initiatives for the world-famous California Raisin industry. Examples of the CRMB/Fleishman-Hillard collaboration include:

- Creating the comprehensive "Let's Keep It Real" special assessment campaign to educate consumers and nutrition influencers about all-natural, no-added-sugar California Raisins compared with a competitive dried sugar-added snack option
- 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
- Developing assets, including videos, press releases and audio news releases, to announce new nutrition research findings that highlight the positive health and nutrition benefits of California Raisins, as well as staying closely engaged with the Scientific Nutrition Research Panel on upcoming research and related promotional opportunities
- Working closely with the CRMB's Nutrition Research Director to spread the nutrition communication message through media-relations activities, such as a New York media tour to meet with the country's top food, nutrition and lifestyle editors and share the latest nutrition research findings
- Supporting the efforts of the CRMB staff at the national Academy of Nutrition and Dietetics national meeting (FNCE) and the annual California Raisins-sponsored breakfast and booth
- Reaching millions of moms coast-to-coast with engaging seasonal campaigns that deliver messages about California Raisins as a wise choice
- Representing California Raisins at the country's premiere blogger conferences and offering multiple ways for these social media mavens 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 – including upgrades to [www.loveyourraisins.com](http://www.loveyourraisins.com) and the California Raisins' Facebook page
- Supporting the CRMB's channel development efforts – including publicity of the popular America's Best Raisin Bread contest, the National Pie Contest competition, along with ongoing interaction with foodservice editors



The Fleishman-Hillard team is led by senior strategist, Dan Barber, and program director, Shelly Kessen, with extensive support from a full team of digital, social, event-planning and media-relations experts including Brooke Burgess, David Burk, Sarah Hamblen and Sallie Poggi.



# 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 28 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, Pebble Beach 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, Digital Strategy and Implementation with analytics, Creative Development and Graphic Design. 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, an Account Supervisor for California Raisins, has been with MeringCarson for 9 years. Wade Bare, Brand Manager, 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.





# 2012-13 Activities

## THESE ACTIVITIES REVOLVE AROUND NEWLY COMPLETED HEALTH & NUTRITION RESEARCH: TELEVISION, ONLINE ADVERTISING, PUBLIC RELATIONS

### TELEVISION

There will be a significant shift in the consumer advertising for 2012-13, as we expand the usage of the two new "Solar Powered Goodness" commercials entitled "Peleton" in which a young girl in pigtails zooms past professional bike riders sounding the "ching-ching" of her bike bell as the announcer states "With California Raisins' Solar Powered Energy your kids can achieve anything". With "Soap Box," two small boys get pulled over by a motorcycle cop for speeding and the announcer repeats the message stated in "Peleton". A total of 900 spot ads have been purchased to be aired on four top cable networks: the Food Channel, Entertainment Channel, ABC Family Channel, and the TBS Network.

### ONLINE

Instead of Print Advertising, the CRMB will focus its print message via online advertising via Banner Ads, Google Search, a Solar Powered Micro site, and placement of California Raisin recipes on such sites as Pinterest.

### PUBLIC RELATIONS

The CRMB working with Fleishman-Hillard (FH) maintains a very aggressive public relations program, where the objective is to get people talking about and reading about California Raisins in newspapers, magazines, online and on food and nutrition blogs. To that end the CRMB is actively engaged with bloggers at such events as Blissdom and BlogHer. FH engages a number of Registered Dietitians to also help spread the word about the benefits of California Raisins: fat and cholesterol-free, no-added-sugar, and low in sodium.

### Olive, Jicama and Orange Salsa

*Serve as a dip for pita bread or over grilled fish or chicken.*



### TRADE PRINT

Print advertising for 2012/13 will be focused on ads running in trade magazines such as Baking & Snack, Snack Food & Wholesale Baking, Milling & Baking News, Food Business News and FoodService Director. Health and Nutrition messages will be delivered electronically via RD411 and Smartbrief (industry e-mail newsletter for health care professionals and concerned consumers).

### FOODSERVICE

Dr. Painter will be used to deliver obesity and overeating messages to such commercial foodservice companies as Compass Group USA, Aramark and Sodexo. Non-commercial College and University foodservice operators will be visited and shown how to make new salads, entrées and desserts with California Raisins. Scholarships will be awarded to the American Institute of Baking and at The French Pastry School of Kennedy-King College in Chicago to encourage a steady stream of new items from students who become the next generation of commercial bakers and pastry chefs.

### SCHOOL FOODSERVICE

The CRMB will continue to work with secondary foodservice operators as they have school lunch meals prepared from scratch in a number of districts using fully trained professional chefs, such as in Greeley, Colorado.

### HEALTH & NUTRITION

As the head of the CRMB's Scientific Nutrition Research Panel, Dr. Jim Painter not only works with our panel members in reviewing research proposals for the future, but is also our lead presenter of completed research findings to medical and health care professionals at such events as the Academy of Nutrition and Dietetics' (AND) annual conference and at a variety of state and regional conferences including IFT. In 2012/13, Dr. Painter's speeches will reach out to new science categories such as diabetic conventions and dental events. It is expected that the results of five separate and completed CRMB research studies will be published in a stand-alone book endorsed and published by the Institute of Food Technologists.

### BAKING

The baking category will continue to be a significant part of the overall marketing plan as the grain-based foods industry remains the largest single commercial user of California Raisins. The Sixth Annual America's Best Raisin Bread Contest is in the planning stages and will be held at the Las Vegas Convention Center as part of the International Baking Industry Exposition with planned attendance of 20,000 visitors. The CRMB will also continue to work closely with the American Pie Championships, the American Institute of Baking and the Home Baking Association (consumer focus).

### NEW PRODUCT DEVELOPMENT

This year, the CRMB will participate in programs that are something akin to speed-dating for makers of food products and potential suppliers. Participation will be in activities such as the Next Level Summit, the Food Technology Innovation Summit and the Restaurant Leadership Conference. Dr. Painter is invited to be a key note speaker at these events as manufacturers and restaurateurs seek to provide healthier ingredients and finished food products.



# 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 RECOGNIZE THE MEMBERS  
AND ALTERNATES OF THE CALIFORNIA RAISIN MARKETING BOARD.**

**Term: June 1, 2011 to May 31, 2013**

Alan Kasparian  
Barry Kriebel  
Chris Gunlund  
Dennis Wilt  
Dr. Douglas Cords  
Dr. James Kennedy  
Dr. Nindy Sandhu  
Dr. Sonet Van Zyl  
E.G. Huter  
Edward Fanucchi  
George Salwasser  
Glen Goto  
Harold Hilker  
Harvey Singh  
Jeffrey Bortolussi  
Jon Marthedal  
Kathy Merlo  
Ken Shinkawa  
Kimberly Bedrosian  
Manuel Medeiros  
Michael Bedrosian  
Michael Koligian  
Monte Schutz  
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 2011-12 crop year is a picture of success. A declaration by the Raisin Administrative Committee of 100% free tonnage for all raisin varieties for the second consecutive year and a field price established by the Raisin Bargaining Association of \$1,700 per ton for Natural Seedless raisins created an upbeat economic picture for the growers in the San Joaquin Valley.

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](http://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](mailto:gary@raisins.org) or by calling (559) 248-0287.

Finally, I want to take this opportunity to congratulate Dr. David Ramming, our raisin grape breeder at the USDA station near Parlier for his 37 years of service to our industry. David, enjoy your retirement!

### CALIFORNIA NATURAL SEEDLESS RAISIN SHIPMENTS, PACKED TONS

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Natural Seedless Deliveries to Handlers</b>	306,361	271,679	316,116	349,697	285,098	336,616	323,287
<b>Domestic, Canada &amp; Mexico Shipments</b>	186,358	188,944	193,609	191,929	186,176	180,344	183,703
<b>Exports</b>	97,672	101,684	142,541	125,789	152,246	129,197	119,373
<b>Total Shipments</b>	<b>284,030</b>	<b>290,628</b>	<b>336,150</b>	<b>317,718</b>	<b>338,422</b>	<b>309,542</b>	<b>303,076</b>

### NATURAL SEEDLESS INVENTORIES, FREE TONNAGE AND RESERVE SWEATBOX TONS

Crop Year	Total Carry-in
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
2012-13	132,061
<b>Average</b>	<b>154,546</b>

### CALIFORNIA RAISIN GRAPE ACREAGE, AS ESTIMATED BY USDA



### 2011 RAISIN CROP

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

Varietal Type	2011/12	2010/11	2009/10
<b>Natural Seedless</b>	346,132	354,878	298,532
<b>Dipped Seedless</b>	2,352	4,440	3,827
<b>Golden Seedless</b>	21,960	21,827	17,008
<b>Zante Currants</b>	3,167	3,468	2,708
<b>Sultanas</b>	76	66	63
<b>Muscats</b>	3	6	8
<b>Monukkas</b>	130	140	155
<b>Other Seedless</b>	9,035	11,351	7,304
<b>Other Seedless Sulfured</b>	471	809	413
<b>Total</b>	<b>383,326</b>	<b>396,983</b>	<b>330,019</b>

### 2011-12 SHIPMENTS OF NATURAL SEEDLESS RAISINS BY COUNTRY OF DESTINATION, PACKED TONS

Ranking	Country	Tonnage 2011/12	Tonnage 2010/11	% +/-
1	United States	174,381	169,126	+3%
2	Japan	18,727	17,412	+8%
3	United Kingdom	13,282	18,592	-28%
4	China*	11,949	12,262	-3%
5	Germany	10,788	13,240	-9%
6	Canada	9,322	11,219	-17%
7	Australia	8,511	7,543	+13%
8	Sweden	7,033	5,350	+31%
9	Mexico	4,015	5,050	-20%
10	Taiwan	4,007	4,611	-13%

\* Historically a large volume of China exports are transhipped directly to Japan.



# California Raisins in Japan: A Fifty Year History

by Jeffrey McNeill, President, Market Makers Inc, RAC-Japan Marketing Representative

Japan is the largest market for California raisins outside of the United States. In 2011, 29,230 tons of California raisins were exported to Japan, or the equivalent of nearly 10% of all the raisins produced in the state. This is not an 'overnight' success story but one that has been built step by step over time. For over 50 years, the California raisin industry has been making efforts to expand its business in Japan and as a result has created a market that consistently purchases large quantities of California raisins and provides a positive revenue return to the growers and packers in California. California raisins are now the number one exported dried fruit and nut to Japan, exceeding the annual tonnage exports of walnuts, almonds and prunes, the other major crops from California shipped to Japan. On a value basis as measured by the Japan government, the value of California raisins imported to Japan in 2011 reached \$80 million for the first time ever on a delivered to Japan port basis.

Japan produces almost no raisins domestically although it has a fairly large domestic grape crop which goes into table grapes and some wine production. As a result, there is not a tradition in Japan for eating raisins as part of its historic food culture. This has meant that the California raisin industry has had to educate consumers in Japan about the many ways that California raisins can be eaten and the many different applications in which raisins can be used as ingredients. The year 2011 commemorated fifty years from the time in which the first efforts to promote California raisins in Japan were begun. During that time the volume of California raisins exported to Japan has grown from nearly none to 30,000 tons per year.

In order to create a market for California raisins in a culture that had no tradition of eating raisins, it was important to market California raisins in a way that would encourage many new applications step by step. Over time the Raisin Administrative Committee (RAC) and its predecessor international marketing organization, the California Raisin Advisory Board, has developed an effective series of programs that have successfully increased demand for California raisins in a wide variety of applications. The baking industry in Japan, one of the largest food categories in the country, consumes an estimated 60-70% of the California raisins exported to Japan in a large variety of different bread products, including raisin breads, rolls, buns, sticks and the like. Cookies and confections containing California raisins are also very popular, as are chocolate covered raisins and yogurt raisins. California raisins are also found in ice creams, cereals, trail mixes, health bars, salads, and snacking form among other applications.

To promote the many different uses, the RAC employs a wide range of marketing tools. In order to get the most return for its funds, the RAC focuses its efforts on areas that have the potential to generate the most volume sales for California raisins. Priority is given to encouraging the food trade to incorporate California raisins into as many items as possible.

In 2012, key programs included new product development contests in the baking industry, technical seminars on new applications using raisins, a consumer premium campaign, and a variety of PR activities designed to increase usage of California raisins.

In addition, to respond to the growing consumer interest in the role of foods in promoting a healthy lifestyle, the RAC has been increasing its efforts to educate customers about the health and nutritional benefits of California raisins based on research conducted in the United States.

Competition is very fierce in the food market in Japan. Companies are constantly launching new items and it is very important to work closely with customers in order to maintain California raisins sales volume in the marketplace. California raisins have been able to maintain high sales due to a policy of consistent market promotion in the marketplace and a close cooperation with importers and other key customers in Japan. The result over the past fifty years has been a win-win situation for both the California raisin industry and growers and the customers in Japan. In 2011, the market share for California raisins in Japan reached an all-time record high of 89.8% on a value basis.

## Smoked Turkey Waldorf Melt

Traditional Waldorf salad, raisins and turkey with melted Gruyere cheese on honey wheat bread.



# CRMB Statement of Activities

## Year Ended July 31, 2012

### Revenue:

Assessments	\$6,682,438
Interest	9,114
Miscellaneous	<u>1,201</u>
Total revenue	<u>8,363,429</u>

### Expenses:

#### General and Administrative:

Salaries	318,724
Payroll taxes	28,161
Retirement-employer contribution	30,382
Employee benefit administration	2,061
Staff Education and Training	4,032
Insurance-General	52,149
Insurance-Group Health	96,074
Rent	75,898
Utilities	7,245
Telephone	10,384
Postage	32,204
Office supplies	9,847
Repairs and Maintenance	4,101
Memberships and Surveys	49,004
Consulting – HR/General Counsel	4,574
Consulting – DC Liaison	-
Consulting-Trademark Registration	25,277
Auditing Fees	17,610
Equipment Lease	17,838
Depreciation	2,936
Travel-Office	7,318
Travel-Committee	8,948
Board Meetings	2,264
Board Education and Training	-
Bank Charges	10,789
Software/Programming	9,534
Compliance	-
Legal Fees Litigation	712,274
Legal Fees Crop	36,036
Travel Legal Costs	5,252
Product Samples	25,966
Marketing Branch	60,615
Support Services	350,000
Equipment reimbursement	15,000
Special Activities-Miscellaneous	<u>11,145</u>
Total General and Administrative	<u>2,043,642</u>

### Marketing Activities:

#### Advertising Public Relations & Publicity:

Account Management Fee	25,643
Pre-Production	629,047
Media Buy-Consumer	1,301,610
Media Buy-Trade	191,983
Media Buy-Online	231,609
Website Development and Maintenance	165,708
Public Relations	707,158

#### Printing-General Use

25,410

#### Channel Development:

Foodservice	8,000
Industrial	5,110
Baking, Snacking, and Confectionery	222,185
School Trade Shows	146,470

#### Trade Shows/Event Marketing:

Foodservice	108,182
Industrial	65,503
School Trade Shows	23,043
Event Marketing	51,610
Health Trade Shows	135,018
Baking, Snacking, and Confectionery	110,675

#### Research:

Market Research	18,478
Health and Nutrition Research	278,776
Food Research and Development	164,859
Crop Research	226,192

#### Marketing and Export:

CIA	56,747
California Dried Fruit Coalition	55,000

#### Special Assessment Expenses:

Special Assessment General	32,644
Special Assessment Public Relations	633,949
Special Assessment Printing	-
Special Assessment Channel Development	825
Special Assessment Trade Shows & Events	145,166
Special Assessment Research	203,064

#### Minor Varietals:

Goldens, Zantes and Other Minor Varietals-Domestic	<u>210,770</u>
Total Marketing Activities	<u>6,180,434</u>
Total Expenditures	<u>8,224,076</u>

### Excess Revenue Over (Under) Expenditures

**139,353**

### Fund Balance/Net Assets:

Beginning of Year	<u>4,477,611</u>
End of Year	<u>4,616,964</u>



# New Raisin Products

## NUMBER OF NEW RAISIN PRODUCTS 2009-2012

Source: Mintel Global New Products database - all categories

	2009	2010	2011	2012
Baby Food	1	0	0	2
Bakery	27	46	47	32
Breakfast Cereals	15	16	16	30
Chocolate Confectionary	9	12	9	10
Dairy	0	1	1	0
Dessert & Ice Cream	1	3	0	1
Fruit & Vegetables	1	3	2	0
Meals & Meal Centers	2	6	4	6
Other Beverages	0	0	2	0
Processed Fish, Meat & Egg Products	3	1	2	1
Sauces & Seasonings	9	16	14	13
Savory Spreads	0	1	1	0
Side Dishes	0	2	0	1
Snacks	49	53	60	60
Sugar & Gum Confectionary	1	0	1	0
Sweet Spreads	1	1	0	1
Total	119	161	159	157

# Staff

Pictured from left:

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