

CALIFORNIA RAISIN MARKETING BOARD
ANNUAL REPORT
2016-2017



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This 2016/2017 Annual Report is produced by the staff of the California Raisin Marketing Board (CRMB). Staff members contributing to this report are: Debbie Powell, President and General Manager, Larry Blagg, Senior Vice President of Marketing, Melinda McAllister, Marketing Specialist, and Doris Williams, Director of Operations.

This annual report is distributed by mail to the 2,000 California raisin growers. Additional copies may be requested by contacting the CRMB, 2445 Capitol Street, Suite 200, Fresno, CA 93721. Contact us by phone (559) 248-0287 or info@raisins.org.

CRMB Chairmen's Letter to Growers

Dear Growers of California Raisins,

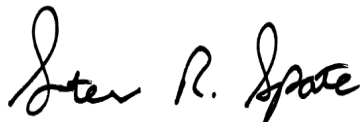
For more than 100 years, the San Joaquin Valley has successfully been growing one of the most naturally sweet, nutritious and delicious fruit products available to consumers – California Raisins. As America's best-selling dried fruit, California Raisins are an appealing anytime snack and a superb ingredient in a wide assortment of baked goods, main dishes, trail mixes, sauces, appetizers and cereals.

Despite another year without assessments, we were able to completely revamp our website (LoveYourRaisins.com) making it easier to navigate and find nutritious raisin recipes for consumers and cooking professionals. Also, we provided raisin content on social media platforms – Facebook, Twitter and Pinterest. We continue to tell the story of the 2015 nutrition findings that show eating California Raisins can positively impact a reduction in post-meal blood glucose levels and systolic blood pressure in people with Type II diabetes.

Lastly, the research results on the newest variety of Natural Seedless raisins, Sunpreme, are encouraging and we are hopeful Sunpreme will positively impact productivity, especially in mechanical harvesting.

We do appreciate the continuing confidence of the growers in the Marketing Order. Regarding the status of ongoing litigation, note that the CRMB prevailed at the Superior Court level in October 2017. The litigants have filed an appeal.

We look forward to the day when we can expand our reach and tell more consumers about the benefits and versatility of California Raisins. Thank you for your support and best wishes for a successful 2018.



Steve Spate
Chairperson
6/1/15 to 3/1/17



Jon Marthedal
Acting Chairperson
3/1/17 to 7/20/17

Background of Annual Report

State of California – Department of Food and Agriculture Marketing Order for California Raisins, Mission Statement:

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/Purpose of Annual Report

Pursuant to Article IV, section F of the Marketing Order, this report contains a review of all advertising and promotion plans implemented during the 2016/2017 marketing season. This report includes the following information:

- An overview of all marketing activities undertaken during August 1, 2016 to July 31, 2017
- 2016/2017 research projects
- 2016/2017 tradeshows and events
- 2017/2018 activities

Summary of all Marketing Objectives

Pursuant to Article IV, section F of the Marketing Order for California Raisins, below is 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: A number of platforms were used to stimulate demand for California Raisins including:

- Local events and social media
- School Foodservice - School Nutrition Association's Industry Conference and Annual Nutrition Conference; and a virtual tradeshow for smaller school districts
- Health & Nutrition - Today's Dietitian Symposium, American Diabetes Association Scientific Sessions Conference, influencers and social media
- CRMB's website - LoveYourRaisins.com, Facebook, Twitter and Pinterest

All aspects of promoting demand for California Raisins were incorporated into each of the platforms listed above for the marketing year 2016/2017.

Objective 2: Develop reportable data regarding health and nutrition properties of raisins that can be used to promote raisin demand.

Response: The CRMB entered into a cooperative health research proposal with the California Dried Plum Board, the California Date Commission, and the California Fig Advisory Board together with funds provided by collaborator International Nut and Dried Fruit Council (INC) World Forum for Nutrition Research and Dissemination. The research study is entitled *"The Effect of Bioactives in Dried Plums, Figs, Dates, and Raisins compared with a high Carbohydrate Snack on Risk Factors for Cardiometabolic Disease"* and is being conducted at Pennsylvania State University.

Objective 3: Undertake crop research projects that improve efficiencies, boost quality and/or deliver other attributes that enhance raisin appeal.

Response: The Board approved funds for continued research on the varietal, Sunprime, entitled *"Performance of Sunprime on Different Rootstocks and Trellis Systems."*

Objective 4: Assure producer and industry stakeholders understand the value of CRMB activities.

Response: CRMB staff encourages industry members to become familiar with the CRMB website and social media platforms and postings contained therein.

Objective 5: Safeguard the stakeholder's assets and intellectual property of the 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. Trademark protection is established with the focus centered on our character and circle logo.

Objective 6: Assure CRMB is properly staffed, structured and supported.

Response: With the discontinuance of the grower assessments, the CRMB staff remains downsized to continue those activities deemed necessary by the Board.

2016/2017 Activities

School Foodservice

School Nutrition Association's Annual National Conference

The CRMB Marketing Specialist attended the School Nutrition Association's Annual National Conference (ANC) in Atlanta, GA to showcase California Raisins as a naturally sweet, no-sugar added fruit option for breakfast or lunch for the K-12 school segment. California Raisins are delicious and nutritious, and are perfect for Breakfast in the Classroom, National School

Lunch Program, Summer Feeding programs and more. Staff shared the message that $\frac{1}{4}$ cup of California Raisins is equal to 1 fruit serving and that $\frac{1}{4}$ cup contains nutrients such as fiber and potassium. Raisin recipes were also handed out and the tradeshow was well attended by industry members.



School Foodservice Virtual Tradeshow

CRMB also participated in a virtual tradeshow for K-12 foodservice directors. This online experience allowed approximately 700 smaller school district's foodservice directors the ability to log on to the tradeshow from their computer and visit the virtual CRMB booth that had raisin recipes to download and information on how to contact raisin packers. CRMB staff followed up with 300 school foodservice directors who visited the virtual California Raisins booth.

Health and Nutrition

For the second year, CRMB's Marketing Specialist Melinda McAllister showcased California Raisins at the *Today's Dietitian Spring Symposium* in New Orleans. She shared the results of the LMARC II research with an audience of millennial registered dietitians who truly care about where their food comes from.

The LMARC II results specifically cite a 12-week study among 51 individuals with Type II Diabetes Mellitus found that regular consumption of raisins, as compared to a group that ate a comparable number of snacks of equal caloric value were shown to have¹:

- 23% reduction in post-meal glucose levels
- 19% reduction in fasting glucose
- A significant reduction (8.7mmHg) in systolic blood pressure



We are slowly disputing the myth that diabetics cannot eat raisins. These young registered dietitians will tell their clients they **can** eat California Raisins. The sponsorship also included:

- A digital supplement for *Today's Dietitian* website with 16 pages of raisin content touting the test results of LMARC I and II.
- A multi-media news release on LMARC I and II test results shared with the Radio Health Journal.
- California Raisins' nutrition information shared on *Today's Dietitian* social marketing platform Twitter.

¹ Bays, H., et. al. A Randomized Study of Raisins Versus Alternative Snacks on Glycemic Control and Other Cardiovascular Risk Factors in Patients with Type 2 Diabetes Mellitus. *The Physician and Sports medicine*; 2015.

American Diabetes Association Scientific Sessions Conference

The American Diabetes Association Scientific Sessions was attended by Liz Ward, MS, RD on behalf of the CRMB in June 2017, who shared the news of the LMARC II results, as mentioned previously. The conference was attended by approximately 14,000 healthcare professionals dedicated to the prevention and cure of diabetes, including physicians, nurses, registered dietitians and certified diabetes educators.

California Raisins had a prominent spot on the expo floor and was affectionately known as “the only food booth.” The California Raisins booth touted many features:

- In-booth health & wellness discussions with Liz Ward, MS, RD
- Sampling of diabetic-friendly California Raisin recipes (a hit with domestic and international attendees alike!)
- Tabletop posters highlighting LMARC II findings
- Collateral distribution of recipe cards and flash drives containing the LMARC I and II research study

The LMARC II research findings were shared in a piece of “bonus” coverage in Reader’s Digest (RD.com), generated from outreach to media Registered Dietitian and certified diabetes educator, Erin Palinski Wade. RD.com reaches 3,508,948 unique monthly visitors.

Public Relations and Local Events

On April 29th, CRMB partnered with Children’s Services Network who provides education and community resources for quality care for all children to help celebrate their 38th Annual Sunshine Day in conjunction with our National Raisin Day. CRMB offered the naturally sweet, no-sugar added fruit snack - California Raisins - to approximately 3,000 kids and their families. Activities included photos with the California Dancing Raisin, free games, crafts, face painting, raisin snack packs to eat, and more!

On April 30th, staff partnered with Ampersand Ice Cream in Fresno, CA to continue the celebration of National Raisin Day. Many neighbors, families, and a few raisin growers came out to order a delicious Oatmeal Raisin Cookie Ice-Cream cone.

With their purchase they received a California Raisin Plush Toy. The line was out the door at times, the California Dancing Raisin was available for photos, and the event was featured on the KMPH-26 evening news.



The celebration of National Raisin Day finally came to a close on May 6th, when the CRMB Marketing Specialist worked with CSUF Agriculture students to increase local awareness of California agriculture and celebrate California Raisins at Fresno State's Gibson Farm Market for the third year. Visitors enjoyed California Raisin sample packs, picked up raisin recipes and purchased raisins. As always, the California Dancing Raisin posed for customers and was a hit with the crowd.

LoveYourRaisins.com

The California Raisins website has been out of date, and as a key marketing tool, the CRMB needed a modern site that enabled staff to better engage our audience. Digital Attic, CRMB's vendor, worked with staff to develop a new site that is beautiful, modern and functions well. The site is now responsive for all computers and mobile devices, and the new recipe system helps showcase California Raisins. Additionally, the social media feed integration keeps the site looking updated with daily raisin content postings. The Digital Attic team did a great job working with the Board, Larry Blagg and Melinda McAllister to ensure a clear and effective plan was in place.

Tradeshows

Today's Dietitian Symposium, New Orleans

The 77th Annual American Diabetes Association Scientific Sessions
Conference, San Diego, CA

School Nutrition Association's Annual National Conference, Atlanta,
GA

Research

Health and Nutrition Research

Disease Prevention

Dr. Penny M. Kris-Etherton, The Effect of Bioactives in Dried Plums, Figs, Dates, and Raisins Compared with a High Carbohydrate Snack on Risk Factors for Cardiometabolic Disease.

Crop Production

Breeding, Germplasm and Evaluation:

Matthew Fidelibus, Performance of Sunpreme on Different Rootstocks and Trellis Systems.



SUNPREME

CRMB staff and Board members continue to monitor the development of the Sunpreme vines that are established at the Kearney Agricultural Research and Extension Center. There is much being learned through the continued research on how this vine responds on different root stocks, trellis systems and different pruning methods. For the first time ever, Sunpreme raisins were mechanically harvested in September 2017 with promising results.



Raisin growers consider projects like this a high priority, advancing the industry toward further mechanization of their raisin harvest.

Contact the following nurseries for additional information and availability:

Duarte Nursery, Inc.

Alma Cruz

1555 Baldwin Road
Hughson, CA 95326
(209) 531-0351

Sales@duartenursery.com
www.duartenursery.com

Sunridge Nurseries, Inc.

Tom Bracken., C.O.O.

441 Vineland Road
Bakersfield, CA 93307
(661) 363-8463

Tom@sridge.net
www.sunridgenurseries.com

Wonderful Nurseries

(formerly Vintage Nurseries)

Matthew McMillan

27920 McCombs Road
Wasco, CA 93280
(661) 758-4777
(559) 365-1996

Matt.McMillan@wonderful.com
www.wonderfulnurseries.com

Agency Backgrounds

Digital Attic of Clovis, CA offers an in-house staff of highly skilled graphic designers, programmers and developers, as well as videographers and photographers, which enable them to produce superior products. Troy Vasquez, CEO, and his team executed the re-design and continue to host and provide monthly maintenance for LoveYourRaisins.com.

2017/2018 Activities

With Board approval, staff has focused on a few local events, recipe contests, and social media. We had favorable results in the *Naturally Sweet, Trick or Treat Halloween Raisin Recipe contest*. The winner of the contest was Christina Blick from Houston, TX with her recipe for Pumpkin Spice Rolls.

CRMB staff, RAC staff, raisin grower and RAC Chairman, Monte Schutz and his wife Kim, participated in the Caruthers Fair in September 2017. The crowd loved the California Dancing Raisin dancing in the back of the 1952 Ford Truck to the tune of "Heard It Through the Grapevine" while staff walked along side handing out delicious raisin snack packs to the crowd.

CRMB staff will continue to execute a few additional local events for the remaining 2017/2018 year and continue to push raisin content on social media including Instagram which was started in the fall of 2017 with the California Dancing Raisin making a Back-to-School appearance at John Wash Elementary School.

Lastly, the CRMB continues to support the Sunpreme research through funding in 2017/2018.



Executive Committee

Term: 2015 – 2017

Chairperson	Mr. Steve Spate (6/1/15 to 3/1/17)
Acting Chairperson	Mr. Jon Marthedal (3/1/17 to 7/20/17)
Vice Chairperson	Mr. Jon Marthedal
Secretary	Ms. Kathy Merlo
Treasurer	Dr. Nindy Sandhu

Term: 2017 – 2019

Chairperson	Mr. Jeff Milinovich
Vice Chairperson	Mr. Jon Marthedal
Secretary	Mr. Dwayne Cardoza
Treasurer	Dr. Nindy Sandhu

CRMB Board Members and Alternates

The CRMB staff wishes to recognize the California Raisin Marketing Board members and alternates for their service:

Term: June 1, 2015 to May 31, 2017

MEMBERS

Chad Chooljian
Courtney Sarabian
Edward Fanucchi
Glen Goto
Michael Kazarian
Barry Kriebel
Jon Marthedal
Kathy Merlo
Jeff Milinovich
Victor Sahatdjian
Richard Sahatjian
Nindy Sandhu

Monte Schutz
Steve Spate
Sonet Van Zyl, Public Member

ALTERNATES

Dennis Housepian
Michael Bedrosian
Michael Mikaelian
Kuldip Chatha
Michael Perry
Jackie Grazier
Rick Stark
Manuel Medeiros
Richard Crowe
Kimberly Bedrosian
Ron Kazarian
Douglas Cords (6/1/15 to 10/7/16)
Tomo Naito (12/5/16 to 5/31/17)

Harvey Singh
Dennis Wilt
James Kennedy, Alternate Public Member

Term: June 1, 2017 to May 31, 2019

MEMBERS

Jane Asmar
Michael Bedrosian
Dwayne Cardoza
Chad Chooljian
Edward Fanucchi
Ron Kazarian
Barry Kriebel (6/1/17) to 10/31/17)
Harry Overly (11/1/17 to 5/31/19)
Jon Marthedal
Jeff Milinovich
Victor Sahatdjian
Richard Sahatjian
Nindy Sandhu
Kim Schutz
Vacant
Sonet Van Zyl, Public Member

ALTERNATES

Dennis Housepian
Courtney Sarabian
Jerry Rai
Ryan Bedrosian
E.G. Huter III
Steve Spate
Jackie Grazier

Rick Stark
Mark Delano
Manuel Medeiros
Richard Crowe
Tomo Naito
Monte Schutz
Kuldip Chatha

***Comparative Data as Compiled and Released
by the Raisin Administrative Committee***

CALIFORNIA RAISIN ACQUISITIONS (SWEATBOX TONS)

	2012/13	2013/14	2014/15	2015/16	2016/17
Natural Seedless	311,090	364,794	303,890	336,697	281,496
Dipped Seedless	3,644	4,925	3,947	2,926	2,348
Golden Seedless	17,340	21,402	19,128	21,110	20,761
Zante Currant	2,976	2,885	3,084	3,091	2,569
Sultana	68	58	59	33	27
Muscat	0	0	24	0	0
Monukka	111	85	73	70	73
Other Seedless	9,655	10,469	13,865	11,065	10,839
Other Seedless Sulfured	381	530	424	457	885
Total	345,265	405,148	344,494	375,449	318,998

CALIFORNIA NATURAL SEEDLESS RAISIN ACQUISITIONS (PACKED TONS)

	2012/13*	2013/14*	2014/15*	2015/16*	2016/17
Natural Seedless Deliveries to Handlers	294,291	347,284	268,568	312,455	267,984

*Numbers have been revised due to staff's calculation errors

CALIFORNIA NATURAL SEEDLESS RAISIN SHIPMENTS (PACKED TONS)

	2012/13	2013/14	2014/15	2015/16	2016/17
Domestic & Canada Shipments	184,417	202,809	189,725	182,140	196,303
Exports	108,816	142,757	111,407	98,523	108,503
Total Shipments	293,233	345,566	301,132	280,663	304,806

Top 20 Destinations for Crop Year 2016/17

Natural Seedless Raisins (Packed Tons)			
YTD Rank	Destination	YTD Tonnage	Previous YTD Tonnage
		8/01/16-7/31/17	8/01/15-7/31/16
1	United States	185,634	173,714
2	Japan	29,449	27,249
3	Germany	12,105	7,892
4	Canada	10,669	8,426
5	China*	8,988	7,567
6	United Kingdom	8,668	8,945
7	Taiwan	4,481	3,971
8	South Korea	4,081	4,334
9	Thailand	3,976	2,969
10	Sweden	3,606	4,026
11	Philippines	3,505	3,127
12	Netherlands	2,685	2,073
13	Norway	2,641	2,393
14	Mexico	2,407	2,647
15	Australia	2,119	811
16	Denmark	1,772	1,863
17	Malaysia	1,737	2,090
18	Hong Kong	1,540	1,790
19	Indonesia	1,512	1,324
20	Singapore	1,338	1,399

*Historically, a portion of China exports are transshipped directly to Japan.

**Statement of Activities and Governmental Fund Revenue, Expenditures
and Changes in Fund Balances, Year Ended July 31, 2017**

REVENUE

Interest	\$ 1,173
Total Revenue	1,173

EXPENSES

General and Administrative:

Insurance	21,330
Rent	76,788
Utilities	7,267
Telephone	3,126
Postage	6,076
Office Supplies	1,555
Repairs & Maintenance	1,645
Memberships & Surveys	124
Consulting - HR/General Counsel	306
Consulting - MBS	200
Consulting - DC Liaison	1,887
Consulting - Trademark Registration	2,170
Auditing Fees	8,900
Equipment Lease	5,628
Travel - Office	22
Travel - Committee	812
Miscellaneous Activities	3,103
Bank Charges	4,327
Software/Programming	1,285
Legal Fee Litigation	65,094
Product Samples	1,302
Marketing Branch	23,328
Support Services	217,980
Equipment Reimbursement	9,000
Total General and Administrative Expenses	463,255

**Statement of Activities and Governmental Fund Revenue, Expenditures
and Changes in Fund Balances, Year Ended July 31, 2017 (continued)**

Advertising, Public Relations and Publicity	
Website Development & Maintenance	30,035
Public Relations	233,034
Trade Show/Event Marketing	
Health Trade Shows	21,137
Research	
Crop Research	37,887
Total Marketing Activities	<u>322,093</u>
Total Expenditures	<u>785,348</u>
Excess Revenue over (under) Expenditures	(784,175)
Fund Balance/Net Assets:	
Beginning of Year	<u>2,057,291</u>
End of Year	<u>\$ 1,273,116</u>

August 23, 2017

**MARKETING ORDER FOR CALIFORNIA RAISINS
ASSESSMENT RATE FOR THE
2017-2018 MARKETING SEASON ESTABLISHED AT \$0.00**

TO THE CALIFORNIA RAISIN PACKER OR PRODUCER ADDRESSED:

Upon the recommendation of the California Raisin Marketing Board (CRMB), the California Department of Food and Agriculture (Department) has established an assessment rate of zero (\$0.00) per ton or the equivalent thereof, on all California raisins delivered by producers to packers during the 2017-2018 marketing season, being August 1, 2017 to July 31, 2018.

The CRMB set the assessment rate at zero for the upcoming marketing season pending the outcome of current litigation. The Board determined it can fund limited activities with existing non-restricted reserves.

A copy of the Order of the Department establishing the assessment rate is available upon request. If you have any questions concerning the assessment rate or the Marketing Order for California Raisins, please feel free to contact Debbie Powell, President of the Board, at (559) 248-0287, or Justin Ellerby, CDFA Economist, at (916) 900-5018.

Sincerely,



Robert Maxie, Chief
Marketing Branch

20170823 | 20170823 | 2018



CRMB Staff Contact Information

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Melinda McAllister
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Contact us by phone (559) 248-0287 or info@raisins.org.
For delicious recipes and more, visit LoveYourRaisins.com.
Follow us on Facebook, Twitter, Pinterest and Instagram.

