

**CALIFORNIA RAISIN MARKETING BOARD**  
**ANNUAL REPORT**  
2015-2016



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This 2015/2016 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, Dori Williams, Director of Operations and Melinda McAllister, Marketing Specialist.

This annual report is distributed by mail to the 2,600 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](mailto:info@raisins.org).

## ***CRMB Chairperson's Letter to Growers***

Dear Growers of California Raisins,

We are growers of one of the most naturally sweet and nutritious fruit products, convenient for snacking, baking, including in cereals and trail mixes or even splashing onto a green salad; however, we need the ability to get the word out to the consumer.

Currently we are still under a \$0-dollar assessment, while we wait for the final decision on litigation.

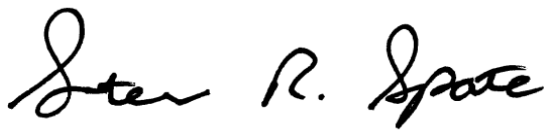
We recently settled with one of the parties involved, which allows us to consider important opportunities, such as continued research on the recently released raisin variety Sunpreme and how it will perform on various rootstocks.

Additionally, we continue to look for ways to inform the public about the important research findings in regard to the daily consumption of raisins having a positive impact on reducing post-meal glucose levels and systolic blood pressure in people with Type II Diabetes.

We thank the growers who overwhelmingly supported the continuance of the CRMB with a positive vote of over 80%.

We have a great story to tell and we look forward to the day when we have the ability to tell it. Thank you for your support.

Best wishes for the upcoming holiday season, and on into 2017.

A handwritten signature in black ink that reads "Steve R. Spate". The signature is written in a cursive, flowing style.

Steve Spate

Chairperson of the California Raisin Marketing Board

## ***Background of Annual Report***

State of California – Department of Food and Agriculture Marketing Order for California Raisins

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/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 2015/2016 marketing season. This report includes the following information:

- An overview of all marketing activities undertaken during August 1, 2015 to July 31, 2016
- 2015/2016 research projects –with \$0 assessment, there have been no research projects initiated
- 2015/2016 tradeshow and events
- 2016/2017 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:

- Press releases 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 – Registered Dietitians, 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 2015/2016.

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

**Response:** During the 2015/2016 marketing year, CRMB worked with Fleishman-Hillard to create a Nutrition Handbook for Diabetic Educators. This handbook contains the research results on how California Raisins positively impact diabetic nutrition. This information can be found on LoveYourRaisins.com.

Also, the CRMB participated in *Today's Dietitian* Annual Spring Symposium to share the peer reviewed research results that showed daily consumption of California Raisins may reduce blood pressure and post-meal blood glucose for men and women with Type II Diabetes Mellitus.

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

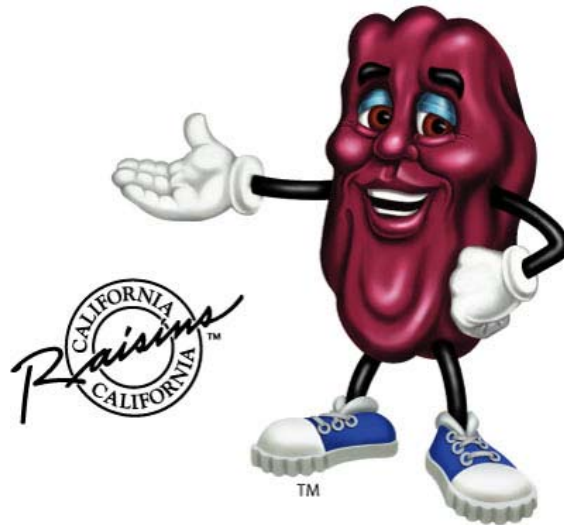
**Response:** With a suspension of grower assessments in April of 2013, no new crop research has been commissioned. One effort being continued by the USDA from last year is the distribution of the newly developed raisin-grape variety, Sunpreme, to nurseries that will ultimately have available to the growers. This new variety has the ability to be dried-on-the-vine without cutting of canes and could be of significant benefit to growers in the future.

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

**Response:** CRMB staff continues to update the CRMB website and remain active on such social media accounts as Facebook, Twitter and Pinterest. Staff works to provide new content via postings, helps to create and administer low cost recipe contests and sharing of recipes across all social media channels.

**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 well established and routinely reviewed with the focus of trademark protection centered on these two logos:



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

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

## **2015/2016 Activities**

### ***School Foodservice***

#### *School Nutrition Industry Conference*

CRMB sponsored the School Nutrition Industry Conference in San Diego in January 2016 to raise awareness of California Raisins to state level food service directors and industry partners. This was a smaller audience of 50 sponsors and 200 attendees and these senior level foodservice directors were looking for new ideas for the 16-17

school year. Raisin samples were handed out as well as raisin snacking recipes. Melinda McAllister, CRMB's Marketing Specialist, attended seminars and met key stakeholders from the USDA Commodity Procurement Division.



#### *School Nutrition Association's Annual National Conference*

Melinda McAllister attended the School Nutrition Association's Annual National Conference (ANC) in San Antonio to showcase California Raisins as a naturally sweet fruit option for breakfast or lunch for the K-12 school segment. The message that "¼ cup of California Raisins is equal to 1 fruit serving" was well received among the 3,000 attendees. Follow-up e-mail communications were sent to the booth attendees along with raisin back-to-school snack mix recipes.



## School Foodservice Virtual Tradeshow by Carroll Services Inc. (CSI)

CRMB participated in a virtual tradeshow for K-12 foodservice directors. This virtual or online experience allowed approximately 700 smaller school district's foodservice directors (who do not have the budget to travel to the national conference) the ability to log on to the tradeshow from their computer and visit many vendor booths including the online CRMB booth. Raisin foodservice recipes were available to download, along with raisin nutrition information and how to buy raisins. CRMB staff followed up with 400 school foodservice directors who visited the virtual California Raisins booth. Also, our raisin foodservice recipes can be found on [www.csipro.com](http://www.csipro.com).

### ***Health and Nutrition***

In February 2016, the CRMB Board approved an online and print advertising campaign that launched in the consumer magazine, *Diabetes Self-Management* and an online campaign targeted at Diabetic Educators and diabetic patients with web banners on

[www.diabetesselfmanagement.com](http://www.diabetesselfmanagement.com) and  
[www.type2nation.com](http://www.type2nation.com).

Total circulations of the print ads, social media and web banners (which will run through December 2016) are expected to exceed 2.1 million impressions. Also, the *Orange-Scented Raisin Tapenade* was the featured recipe in an electronic newsletter by *Diabetes-Self Management*. This e-newsletter was sent out in November 2016 to 150,000 opt-in consumers interested in diabetes-friendly recipes.



CRMB also had the opportunity to showcase California Raisins at a symposium in May 2016 with 600 registered dietitians. Melinda McAllister and Maggie Shuster, MS, RD from Langley, WA exhibited at the *Today's Dietitian* Spring Symposium. The level of engagement, interaction, and meaningful person-to person contact was optimal. We shared the exciting results of the LMARC II research with the audience, made up of primarily millennial registered dietitians.



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 amount of snacks of equal caloric value were shown to have<sup>1</sup>:

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

These results created a lot of energy at the show, and comments were made about how these young registered dietitians will **now** be able to tell their clients they **can** eat California Raisins.

### ***Public Relations***

In anticipation of National Raisin Day, staff members Rickey Lynch and Melinda McAllister worked with CSUF Agriculture students on April 29<sup>th</sup> to increase local awareness of California agriculture and celebrate California Raisin Day at the Farm Market, located near Fresno State. This event was a collaboration to raise awareness about naturally sweet, California Raisins that supply nearly half the world's needs. Visitors enjoyed California Raisin sample packs and picked up CRMB raisin recipes. The California Dancing Raisin posed for many raisin fans and the event was a great way to support California agriculture and Fresno State students preparing to be tomorrow's leaders.

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<sup>1</sup> 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.

## ***Tradeshows***

School Nutrition Industry Conference, San Diego, CA

Today's Dietitian Symposium, Orlando, FL

School Nutrition Association's Annual National Conference, San Antonio, TX

## ***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 provide hosting and the monthly maintenance for the website, LoveYourRaisins.com.

## ***2016/2017 Marketing Activities***

As mentioned on page 2, the CRMB saw a small influx of cash and the Board members have approved the CRMB to work with Fleishman-Hillard, to more broadly tell the Diabetic community about the newly discovered healthy benefits of consuming California Raisins.

- *Today's Dietitian* integration - directly reach nutrition influencers and diabetic educators through a trusted media outlet.
- Create a Digital Supplement for *Today's Dietitian* website with 16 pages of content touting the test results of LMARC I and II.
- Participate in an American Diabetes Association (ADA) symposium in the spring of 2017 with 16,000 expected attendees. The goal is to share the results of the LMARC II study.
- Join with the ADA National Diabetes Awareness Month in November, 2016 with in-studio media appearances.
- Complete a multi-media news release on LMARC I & II test results, share with the Radio Health Journal.

## **Updated Website**

It has been six years since the CRMB has updated its website. The last update was focused on getting consumers to look for raisin recipes and it was directed to those with desktop or laptop computers.

The new redesigned website will be focused on delivering the nutrition message of California Raisins, especially to the 30 million people with diabetes and secondly to provide healthy recipes to all consumers. The new website will allow for integration with laptops, tablets and mobile phones which is something the current site is unable to do.

## ***Crop Research – SUNPREME***

With cooperation from USDA's San Joaquin Valley Agricultural Sciences Center and the Kearney Ag Research Center, CRMB staff and Board members continue to monitor the development of the young Sunpreme vines that are established at both research locations. As there is still much to learn on how this vine will respond on different root stocks and trellis systems, the CRMB is providing funding in 2016-2017 for the research currently being conducted at the Kearney Ag Research Center. Raisin growers consider projects like this a high priority toward further mechanization of raisin harvest. For additional information and availability contact the following nurseries:

### **Duarte Nursery, Inc.**

#### **Alma Cruz**

1555 Baldwin Road

Hughson, CA 95326

(209) 531-0351

[sales@duartenursery.com](mailto:sales@duartenursery.com)

[www.duartenursery.com](http://www.duartenursery.com)

### **Sunridge Nurseries, Inc.**

#### **Tom Bracken., C.O.O.**

441 Vineland Road

Bakersfield, CA 93307

[Tom@sridge.net](mailto:Tom@sridge.net)

[www.sunridgenurseries.com](http://www.sunridgenurseries.com)

### **Vintage Nurseries LLC**

#### **Mathew McMillan**

27920 McCombs Road

Wasco, CA 93280

(800) 499-9019

(559)365-1996

[Matt.McMillan@vintagenurseries.com](mailto:Matt.McMillan@vintagenurseries.com)

[www.vintagenurseries.com](http://www.vintagenurseries.com)

## ***Executive Committee***

**Term: 2015 - 2017**

Chairperson                      Mr. Steve Spate

Vice Chairperson                Mr. Jon Marthedal

Secretary                         Ms. Kathy Merlo

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 Chooljian  
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  
Harvey Singh  
Dennis Wilt  
James Kennedy, Alternate Public Member

## California Raisin Statistics

<b>California Natural Seedless Raisin Shipments (Packed tons)</b>					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Natural Seedless Deliveries to Handlers	323,287	294,565	345,113	326,763	362,039
Domestic & Canada Shipments	183,703	184,417	202,809	189,725	182,140
Exports	119,373	108,816	142,757	111,407	98,523
<b>Total Shipments</b>	<b>303,076</b>	<b>293,233</b>	<b>345,566</b>	<b>301,132</b>	<b>280,663</b>

<b>Comparative Data for Deliveries to Handlers, in sweatbox tons, as compiled and released by the Raisin Administrative Committee:</b>					
<b>Varietal Type</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Natural Seedless	346,132	311,090	364,794	303,890	336,697
Dipped Seedless	2,352	3,644	4,925	3,947	2,926
Golden Seedless	21,960	17,340	21,402	19,128	21,110
Zante Currants	3,167	2,976	2,885	3,084	3,091
Sultanas	76	68	58	59	33
Muscat	3	0	-	24	0
Monukka	130	111	85	73	70
Other Seedless	9,035	9,655	10,469	13,865	11,065
Other Seedless Sulfured	471	381	530	424	457
<b>Total</b>	<b>383,326</b>	<b>345,265</b>	<b>405,148</b>	<b>344,494</b>	<b>375,449</b>

**Top 20 Destinations for Crop Year 2015/2016  
Natural Seedless**

**Packed Tons**

<b>YTD Rank</b>	<b>Destination</b>	<b>YTD Tonnage</b> 8/01/15- 7/31/16	<b>Previous YTD tonnage</b> 8/01/14- 7/31/15
1	United States	173,714	180,627
2	Japan	27,249	24,964
3	United Kingdom	8,945	12,674
4	Canada	8,426	9,098
5	Germany	7,892	8,029
6	China	7,567	8,304
7	Korea	4,334	4,704
8	Sweden	4,026	4,701
9	Taiwan	3,971	4,671
10	Philippines	3,127	3,115
11	Thailand	2,969	3,001
12	Mexico	2,647	4,095
13	Norway	2,393	2,895
14	Malaysia	2,090	3,071
15	Netherlands	2,073	3,019
16	Denmark	1,863	3,419
17	Hong Kong	1,790	1,669
18	Singapore	1,399	1,568
19	Indonesia	1,324	1,441
20	New Zealand	1,270	1,349

\*Historically China exports are transshipped directly to Japan.



**Statement of Activities and Governmental Fund Revenue, Expenditures  
and Changes in Fund Balances, Year Ended July 31, 2016**

**REVENUE**

Interest	\$ 415
Assessment Income	1,400,721
<b>Total Revenue</b>	<b>1,401,136</b>

**EXPENSES**

General and Administrative:

Salaries	-
Payroll Taxes	-
Retirement - Employer Contributions	-
Employee Benefit Administration	-
Staff Educations and Training	-
Insurance	20,724
Insurance - Group Health	-
Rent	67,710
Utilities	7,055
Telephone	2,809
Postage	3,755
Office Supplies	1,645
Repairs & Maintenance	1,851
Memberships & Surveys	64
Consulting - HR/General Counsel	306
Consulting - MBS	24,000
Consulting - DC Liaison	4,856
Consulting - Trademark Registration	4,870
Auditing Fees	10,750
Equipment Lease	5,587
Equipment Purchase	-
Depreciation Expense	-
Travel - Committee	1,315

**Statement of Activities and Governmental Fund Revenue, Expenditures  
and Changes in Fund Balances, Year Ended July 31, 2016,  
continued**

Travel - Office	774
Miscellaneous Activities	2,836
Bank Charges	4,744
Software/Programming	524
Legal Fee Litigation	53,750
Travel Legal Cost	213
Product Samples	703
Marketing Branch	34,002
Support Services	199,670
Litigation Settlement	400,000
Equipment Reimbursement	9,000
<b>Total General and Administrative Expenses</b>	<b>863,513</b>
<b>Advertising, Public Relations and Publicity</b>	
Website Development & Maintenance	2,054
Public Relations	29,374
Printing-General Use	253
<b>Trade Show/Event Marketing</b>	
School Trade Shows	-
Health Trade Shows	15,786
Baking Snacking and Confectionary	-
<b>Research</b>	
Food Research & Development	-
Crop Research	-
<b>Marketing and Export</b>	
Export Market	-
<b>Total Marketing Activities</b>	<b>47,467</b>
<b>Total Expenditures</b>	<b>910,980</b>
<b>Excess Revenue over (under) Expenditures</b>	<b>490,156</b>
<b>Fund Balance/Net Assets:</b>	
<b>Beginning of Year</b>	<b>1,578,743</b>
<b>Prior Period Adjustment</b>	<b>(11,606)</b>
<b>End of Year</b>	<b>\$ 2,057,293</b>



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE  
Karen Ross, Secretary

September 15, 2016

**MARKETING ORDER FOR CALIFORNIA RAISINS  
ASSESSMENT RATE FOR THE  
2016-2017 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 during the 2016-2017 marketing season, being August 1, 2016 to July 31, 2017.

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, the President of the Board, at (559) 248-0287, or Kathy Diaz-Cretu at CDFA.

Sincerely,

Robert Maxie, Chief  
Marketing Branch

20160913|20160914|2178



## ***CRMB Staff Contact Information***

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For delicious recipes and more, visit [LoveYourRaisins.com](http://LoveYourRaisins.com).

Follow us on Facebook, Twitter and Pinterest.

