

NATIONAL PROCESSED RASPBERRY COUNCIL
Marketing Committee Conference Call

March 15, 2017; 9:00 a.m.

Committee Members Participating:

Antonio Dominguez Mark Van Mersbergen Loren Kimura
 Eric Larson Nicki Briggs Brad Rader
 Jonny Paris

Others Participating:

Tom Krugman Allison Beadle Marlene Betts

x = participating o = absent

A. Establish Quorum

The meeting was called to order at 9:10 a.m. by Antonio and a quorum was established. On a motion by Mark and seconded by Loren, minutes of the February 15, 2017 conference call were unanimously approved.

B. FY 2017 Marketing Program Budget Re-allocation

Antonio asked Tom and Allison to review the proposed re-allocation of the FY 2017 marketing budget as discussed during last month’s conference call. Allison presented a slide that showed which programs would have budget decreases in order to boost the trade communications budget by a total of \$33,000. Increasing the budget for trade communications is consistent with the Strategic Plan and begins to implement its action items during the current year. The main activity to be funded is a harvest tour during 2017, following on the successful tours of the last two years. This year’s tour would once again see foodservice operators and food manufacturers invited, along with members of the trade press, but add supply chain representatives to the mix. After discussion on the merits of hosting a tour, on a motion by Antonio and seconded by Mark, it was unanimously approved to recommend to the Council an amendment to the FY 2017 marketing budget to increase trade communications by \$33,000, and to amend the FY 2017 marketing narrative accordingly. Discussion on the motion noted that the approved FY 2017 marketing budget of \$595,000 was not being changed, only the allocation among approved program activities.

C. FY 2017 Program Update

Allison continued with a brief report on current activity. New infographics have been created as a communications tool. While the initial application is within social media, they will be used as a part of all external communications. She went on to discuss the impact of boosted ads on Twitter and Facebook, and how metrics from social media are being used to ensure the campaign is reaching the target audience.

RD Nutritionists have used Council information in their newsletters and blogs featuring red raspberries. The SCAN Symposium is the next trade event for health professionals. This year, the Council will host a culinary demonstration, and feature Razz Crush and Razy Ranch dressing. As part of health professional outreach, a tool kit was created for retail RDN's. Allison said that RD's drive store's health and wellness programs, either at the store level or at the corporate level. Loren asked about chains that had showed interest in the toolkit, with the response that two major mid-western chains were actively using the materials.

At the recent Nutrition Executives Study Group meeting, the Council hosted a pre-conference workshop entitled "Marketing to Marketing: How to Get a Seat at the Table". This educational event provided tools to attendees that they can use to get nutrition on the marketing agenda.

Materials provided to Compass for use during its Culinary Summit were presented. One of the summit's topics was "Imperfectly Delicious Produce" and the reduction of food waste. Collateral produced supported these initiatives. Upcoming trade events were reported, noting that in two, the Council will not be an exhibitor but instead use the event to either scout its potential for the future or to collect information.

Recent attendance at AFFI-Con was described. The objective of attendance was to educate industry members on who the Council is, and the programs and resources it has. During the conference, Allison reported having in depth conversations on a variety of subjects during scheduled meetings which provided her with additional industry insight to be used when talking with the trade.

D. FY 2018 Program and Budget Proposal

Following up on last month's high level view of program direction, Allison presented a more detailed look at proposed FY 2018 programs and budgets. Using the Strategic Plan as a guide, FY 2018 will drive premium berry positioning. A number of new programs will launch FY 2018 as the year of the Real Red Raspberry, with action items as called for in the Strategic Plan. Positioning will draw on the inherent value of Real Red Raspberries and move it from being thought of as a commodity to a premium product independent of price. Discussion noted this has been a long-term challenge for the industry. The initial steps will be the creation of a positioning statement to be approved by the marketing committee, organizing all messaging by channel, and development of a specific communications tool kit.

Antonio then asked Tom to present the framework for how he arrived at the proposed marketing budget. He discussed the forecasting of the 2017 crop and imports as sources of revenue and year-end expenses to identify carry over funds. These would supplement 2018 assessments from both imports and domestic production to generate total funds available. Hard costs, such as year-end reserves, general administration, USDA oversight fees, and the costs of completing ongoing research were deducted from total funds to identify how much was

available for new research and marketing programs. The Strategic Plan's 60/30/10 ratio of fund utilization was then used to allocate funds across the three program areas.

Returning to proposed programs, Allison walked the committee through each of the activity areas, describing new and ongoing activities that supported the Strategic Plan. In examining the proposed budget, the most significant year-to-year budget increases were to trade communications, digital communications, and industry outreach, with the most significant decrease seen in health professional communications. It was noted during discussion that these changes were consistent with the Strategic Plan. In total, the budget being proposed totaled \$771,500, compared to the FY 2017 budget of \$595,000.

Antonio said he was satisfied that the proposed budget and activities addressed the Plan and built on the foundation that has been created over the last two years. Mark agreed, indicating he also believed the activities aligned well with the Plan and put it into action. Loren noted that a trade focus made sense as this is an area where the Council can effectively capture value for the products. Antonio closed by noting that the Council's programs become a standard for comparison, with the question "how can we do things differently?" There was committee consensus that the program and budget as outlined was appropriate and should be finalized for committee review and potential recommendation along with its narrative to the Council for adoption during the next conference call.

E. Next Call; Adjourn

With no further discussion, the next committee conference call was set for Wednesday April 19 at 9:00 a.m. pacific time. The call concluded and was adjourned at 10:50 a.m. by Antonio.