



**FY 2019 Budget Narrative  
National Processed Raspberry Council  
For the Period October 1, 2018 – September 30, 2019**

**INTRODUCTION**

Since its inception in 2013, the National Processed Raspberry Council has funded nutrition research and marketing communication programs targeting demand growth for processed, or *Real Red Raspberries*. In late 2016, a long-term strategic planning process was initiated to take the industry to the next level of impact and accountability. The intent of this process was to ensure that vision and foresight guide the Council's evolution from "start-up" mode to one of more systematic demand-building, thus securing the long-term viability of the processed raspberry industry. The Strategic Planning process sought answers to three basic questions: where are we now? Where do we want to be? And, importantly, how do we get there?

Following development of the Plan, the Council's committee structure was modified to align with three identified Strategic Priority Areas so that each area has a committee uniquely assigned to its oversight and implementation. A new committee, Industry Relations was formed and tasked with Accountability and Industry Communications.

Along with changes in committee responsibility, the budget was re-structured so it, too, aligned with the Strategic Priority Areas. Part of the budget restructuring included establishment of funding guidelines for each Strategic Priority Area.

The three Strategic Priority Areas are:

Strategic Priority Area 1: **Developing** our story: Research focusing on understanding key nutritional attributes of Real Red Raspberries. Food Safety research can also be conducted as part this priority area.

Strategic Priority Area 2: **Sharing** our story: Communicating the benefits of Real Red Raspberries to consumer and trade audiences.

Strategic Priority Area 3: Industry **communication and accountability**:  
Demonstrating and measuring the work of the Council and communicating its value to the industry.

The National Processed Raspberry Council will review the Strategic Plan and action steps on an annual basis about market conditions and assumptions to ensure that these Priority Areas remain appropriate to address the overall goal of increasing demand.

For FY 2019 marketing communications programs will once again be implemented by a team of independent contractors acting as virtual “staff” to the Council under the leadership of Wild Hive.

### **INCOME**

NPRC assessment income is based on raspberry industry estimates of U.S. production of raspberries delivered to processors and imports of processed raspberries for the period October 1, 2018 through September 30, 2019. For FY 2019, assessment income is based on 70 million pounds of domestic production and 52.5 million pounds of imports. Since July 1, 2014, assessments on processed raspberry imports have been collected by U.S. Customs. Any domestic assessment income received in October 2019 will be recognized as FY 2018 income as it results from deliveries of the 2018 crop. Import assessment income is recognized and posted to the prior month as Customs reports trail collection by one month. Import assessments are collected and reported throughout the year.

Minimal interest income will accrue from investments during FY 2019. No other non-assessment revenue is forecast for FY 2019.

### **NON-PROGRAM EXPENSES**

#### **Administrative Expenses**

The Act and the Order limit administrative expenses to 15% of revenue. The recommended budget complies with the administrative spending limits, capping general administrative expenses, exclusive of USDA User Fees, at 10.8% of FY 2019 assessment revenue. Total Administrative Expenses are budgeted at \$200,250.

The NPRC will renew existing Administrative and Professional Service contracts to implement FY 2019 programs. With no employees, the Council will have no employer related costs. Contracts will be established for the Council’s Executive Director, Legal Counsel, Science Advisor, and Administrative Service functions. A Memorandum of Understanding was executed in FY 2014 for outside counsel. All marketing and promotion programs will be implemented under contract to either Wild Hive or Independent Contractors.

Travel and Meeting expenses include direct meeting costs, travel for Board members and alternates to attend Council meetings in FY 2019, and for contractors to conduct the business and programs of the Council. To maximize efficiency and minimize expenses, the Council will hold committee meetings either in conjunction with scheduled Board meetings or by teleconference calls.

Operational expenses include equipment purchase/lease, insurance/bonds, memberships, supplies, phone/fax/internet, postage/shipping, printing/copies, repairs/maintenance, software purchases, subscriptions, and miscellaneous expenses.

The Council conducted a program effectiveness evaluation in FY 2017. While the evaluation is still under review by USDA, the findings from that evaluation have been incorporated into FY 2019 program planning.

### **PROGRAM EXPENSES**

Total FY 2019 net assets available for allocation in FY 2019, including carry forward funds from previous years, is forecast to be \$1.912 million. Of this total, \$0.69 million is forecast as carryforward from unexpended FY 2018 funds. The FY 2019 budget, in the amount of \$1.451 million will be utilized to fund market and industry communications, nutrition research, new market development, and establish a reserve of \$0.46 million, of which \$0.36 is designated as a restricted reserve. Detailed market communication (Sharing our Story) and research (Developing our Story) strategies and tactics are described in their respective Narratives. The goals of these programs and their respective budgets are summarized below.

#### **Sharing our Story**

The goal of the Council's Market Communication program is to raise consumer, food manufacturer, food service operator, and health professional awareness of how Real Red Raspberries can contribute to overall health and wellness and provide for an enriched consuming experience. In raising awareness, usage and demand for processed raspberries will be expanded leading to long-term viability for the processed raspberry industry. Trade and consumer education programs and targeted public communications will be drawn from information flowing from the industry's nutrition research program as well as survey findings that have identified trade usage behaviors and attitudes towards processed raspberries. All forms of media, both traditional and electronic, will be used to carry the raspberry message. New market and product development falls within this activity.

FY 2019 marketing communication and education programs will be executed in conjunction with and under the supervision of Wild Hive.

The FY 2018 Sharing our Story budget will be \$660,100.

### **Accountability and Industry Communication**

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Accountability and Industry Communications will inform industry members of activities of the Council, report on program achievements, and encourage constructive discussion within the industry. A “toolkit” will be developed for use by industry ambassadors and Council members to educate industry members about the Council and its activities, and to assist in recruiting nominees for Council or committee positions. The raspberry industry’s sustainability story will be developed and disseminated. These activities will be accomplished through a combination of electronic media, newsletters and other written communications, and face-to-face meetings with members of the raspberry industry. Outreach and education demonstrating the industry’s commitment to food safety is part of this activity. Food Safety will continue to be an important initiative for the Council in FY 2019.

\$111,025 has been allocated in FY 2019 to Accountability and Industry Communications.

### **Developing our Story**

A growing body of research suggests that red raspberries, a rich source of bioactive polyphenols, may have anti-inflammatory properties and may offer beneficial effects against cardiometabolic diseases including diabetes and cardiovascular disease. A general consensus is that chronic inflammation is at the root of most chronic illnesses, and foods with anti-inflammatory properties, such as real red raspberries, may play an important role in helping to related health issues. Findings generated by funded research will be incorporated into communications programs about Real Red Raspberries. Research investigating ability of various processes to mitigate or minimize pathogenic contamination will be within this program area.

A budget of \$479,624 has been established on FY 2019 to Develop our Story.

### **Government Fees**

USDA User Fees include normal, but not extraordinary, OGC expenses. The total FY 2019 budget for this expense, \$135,000, is slightly larger than in FY 2018, recognizing costs associated with conducting a referendum in calendar 2019.

U.S. Customs collects import assessments at the time of entry to the United States and remits collections to the Council each month. Assessments from domestic handlers, collected and remitted by first handlers, are the responsibility of the Council and are collected on September-October. During FY 2018, Council staff and legal counsel presented to the OGC a report detailing remaining delinquent assessments and recommended action.

### **Reserve Fund**

A total reserve fund of approximately \$0.46 million will be established during FY 2019. Of this amount, \$360,000 is a restricted reserve.