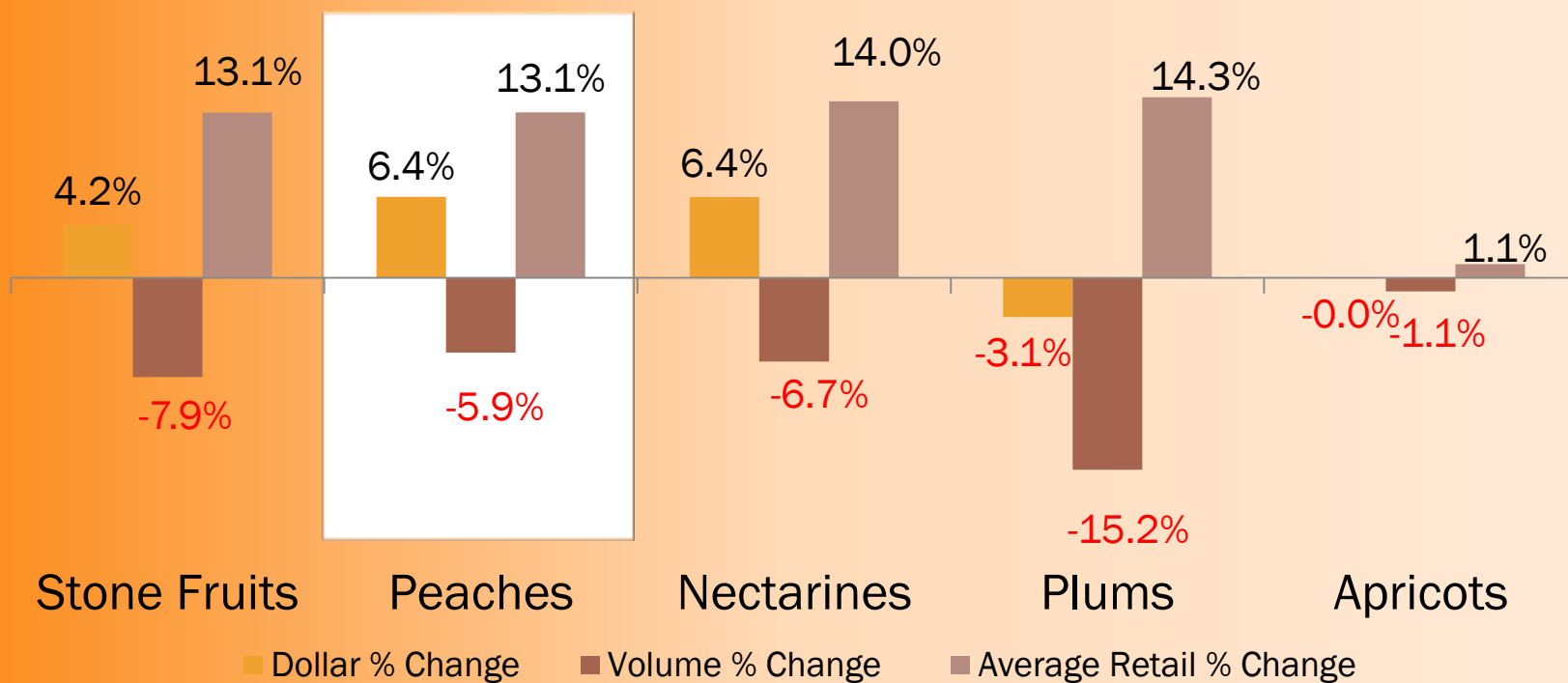

EFFECTIVE MARKETING TOOLS

JANUARY 29, 2015

TREND ACROSS THE STONE FRUIT CATEGORY

- Stone fruit category accounts for 2% of produce department sales
 - Peaches contributed nearly 50% to stone fruit dollar sales



BUILDING LOYALTY BY CATERING BENEFITS TO THE NEEDS OF THE PEACH CONSUMER

Peaches index high with



Middle income to affluent couples
55-75 of age



Engaged with premium, cooking and organic/natural products



Health-focused consumers; Kosher couples

Low-hanging fruit: Marketing a category where supply can be volatile requires focus on top consumer priorities

USDA SPECIALTY CROP BLOCK GRANT

- **Objective**

To create greater consumer awareness and consumption of peaches

- **Primary Market**

Direct Marketers

- **Grant Award - \$30,000**

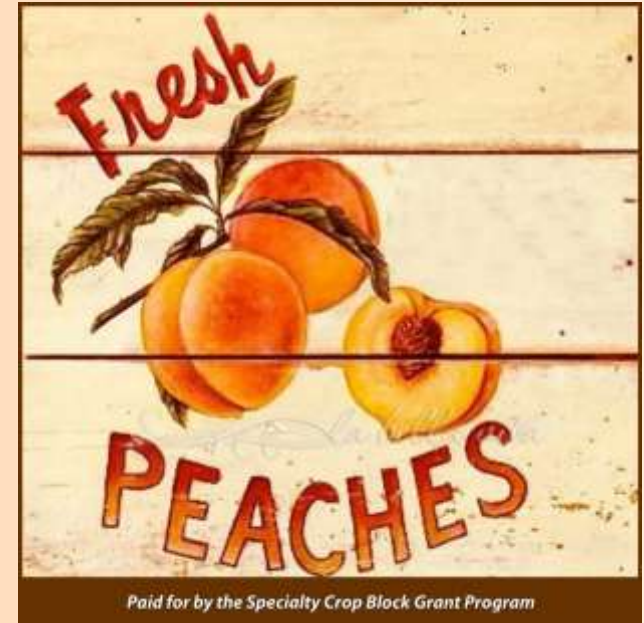
USDA SPECIALTY CROP BLOCK GRANT

- **Nutrition Education**
- **Promotional Materials**

PROMOTIONAL MATERIALS



5,000 Vinyl
Banners



PROMOTIONAL MATERIALS

35,000
Handling
Tips
Flyers

PEACH



Storage & Handling Tips

- Do NOT be fooled by a fruit with large size and a deep color. What you should do is **pick up a fruit and smell it. A fresh peachy fragrance indicates ripeness.**
- When testing for ripeness, never squeeze or press hard on the peach. Peaches blemish and tear easily.
- For best flavor, peaches should be allowed to fully ripen on the tree.
- Firm peaches may be softened by placing peaches in a single layer in a paper bag, fold the bag shut and place on the counter – not in the refrigerator – out of direct sunlight. Firm peaches may take 3 or 4 days to soften. Check them daily.
 - NOTE: Once picked, peaches will become softer but they will not get sweeter or riper.
- Refrigeration will extend the life of peaches for 1 or 2 days. Ideal temperature for ripe peaches is 33 to 40 degrees Fahrenheit.
- For best flavor, allow peaches to come close to room temperature before eating (about 30 minutes).

Remember these basics...

A tasty ripe peach is soft to the touch, blemish free, and has a sweet, fragrant aroma.

PEACHES ARE GOOD FOR YOU

- Source of **vitamins A and C**
- Good source of **fiber**
- **Low in calories**—60 calories per 2½" peach.

ONE POUND OF PEACHES EQUALS

- 2-4 medium peaches
- 2 cups sliced peaches
- 1 ½ cups puree

PEACH TYPES

- Clingstone – flesh clings tightly to the pit. Generally better for cooking and canning.
- Freestone – flesh separates from the pit. Good for eating fresh, as desserts, for cooking and freezing
- Semi-freestone – flesh is a little harder to separate from pit. Good for eating fresh, as desserts, for cooking and freezing.

Compliments of:

USDA SPECIALTY CROP BLOCK GRANT

- **2015**
 - **Expanded PA Grant to include retail display component and additional promotional materials - \$63,000**
 - **Developed Maryland Grant to assist marketing efforts - \$18,000**

NATIONAL PEACH COUNCIL

× ANNUAL UPDATE

COUNCIL 2014 ACCOMPLISHMENTS

USDA Meetings – 12 face to face

- **Agricultural Marketing Service**
- **Food & Nutrition Service**
- **Agricultural Research Service**
- **Risk Management Agency, and**
- **National Agricultural Statistics Service**

Congressional Offices

- ***Congressional and agency education and out-reach through regular communications***

COUNCIL 2014 ACCOMPLISHMENTS

Sign-On Letters

- **Tax Extenders**
- **Ag Labor Reform**
- **Crop Insurance**
- **Food Safety**

Sponsor Support

- **UC Davis International Meeting**
 - *Preparing for the Threat of Plum Pox Virus*
- **Research & presentation by Nielsen Perishables**
 - *Peach Industry Marketing Opportunities*

LOOKING AHEAD

114th Congress Top Agricultural Priorities for 2015

Senate = 54 Republicans and 46 Democrats

House = 246 Republicans and 188 Democrats

53 New House Members

- **Labor and Immigration**

Defund versus Overhaul

Remains a top priority

- **Waters of the US Rule**

- Ag industry has been successful in blocking this rule but more needs to be done.

- **Trade Policies**

- Trans Pacific Partnership (TPP) and Trans Atlantic Investment Partnership (TTIP) are currently being negotiated

- Congress needs to pass Trade Promotion Authority legislation to move trade agreements forward

- **Renewal of the Child Nutrition Policy**

- Reauthorization for the school lunch and other federal nutrition programs expires in 2015

NOMINATIONS

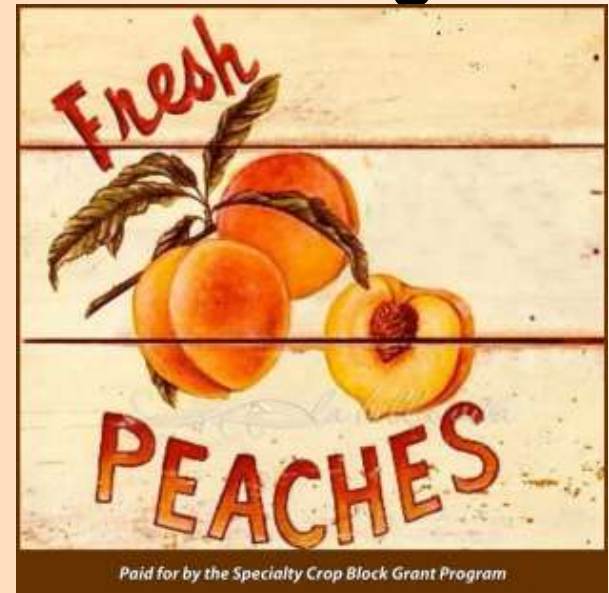
2015 Executive Committee

- **President: Chalmers Carr III, SC**
- **1st Vice President: Charlie Talbott, CO**
- **2nd Vice President: Lawton Pearson, GA**
- **Treasurer: Gary Van Sickle, CA**
- **Immediate Past President: Chris Eckert, IL**

COUNCIL 2014 ACCOMPLISHMENTS

USDA Specialty Crop Block Grant

- Assist NPC member groups in securing grants for peaches



KEY TAKE-AWAYS



The consumer demand for produce is transforming the retail landscape and creating more touch points for peaches

- ★ It's becoming critical to develop approaches tailored to the various channels



Lines between retail and foodservice are blurring and retailers know more consumers are demanding products closer to the point of consumption and permit personalization

- ★ Peaches can spice up summer displays throughout the store (e.g. juicing bars, yogurt bars, cereal bars, breakfast buffets, fruit mix/snacking stations)



Consumers don't shop the store for individual categories, they shop across the store to fulfill needs. Leverage strong sales connections with other parts of the store to encourage incremental trips/consumer purchases.

- ★ Best opportunity for partnership inside the dept: melons, cherries, corn
- ★ Best opportunity for partnership outside the dept: ice cream, steak, yogurt

KEY TAKE-AWAYS



The peach recall had a substantial impact on category volume in 2014, but peaches performed more resiliently than other categories may have

- * Data indicates not all consumers traded out of the category and that sales trends were back on track post August.



Marketing in a category where supply can be volatile requires focus and strategy

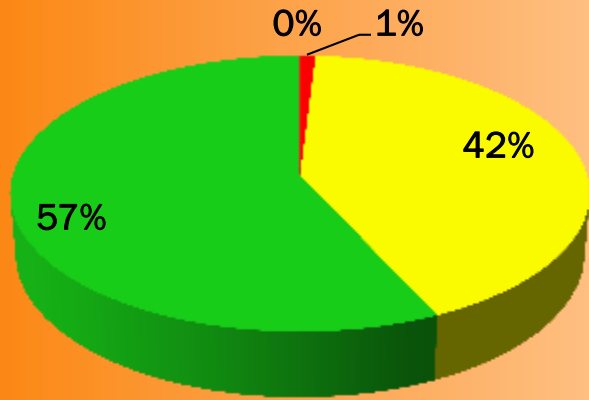
- * Peaches can't be everything to everyone, but there are powerful consumers in the store, in your aisle, already shopping your category.
- * Focus marketing to the peach consumer unique needs (health-focused, enjoys new taste experiences, prefers high-end products).



Building loyalty that can withstand food safety recalls begins with marketing product benefits

- * Marketing benefits (e.g. convenience, health, new taste experiences, varieties) trumps marketing price, especially given the decline in promotional effectiveness across fresh
- * Play up health benefits of peaches (vitamin C, eye health, skin health, antioxidants). Retailers know consumers who care about health benefits are the most valuable consumers to their store's bottom line.

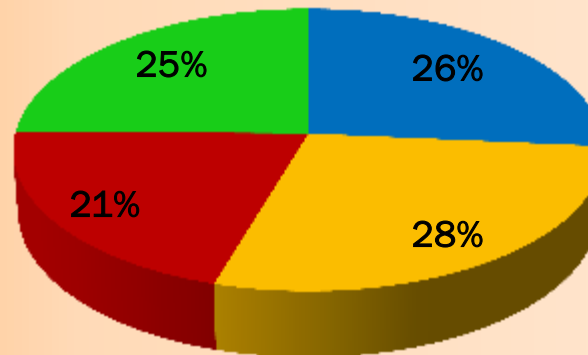
2014 INCOME & EXPENSE REPORT



INCOME

- Advertising
- Membership
- Grants
- Interest

EXPENSES



- Administrative
- Industry Information
- Governmental Relations
- Grants