

Apple News



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PUBLIC AFFAIRS

2008 Farm Bill: A Victory for Apples, But Much More Work to Be Done

Democrats and Republicans in Congress spent much of 2008 campaigning and the result was an abbreviated schedule and gridlock on many issues.

One of the few legislative accomplishments was the 2008 Farm Bill, which after months of negotiations and two presidential vetoes became law on June 18, 2008. The legislation is historic in that it marks the first time that specialty crops have been fully recognized in a Farm Bill. Specialty crop growers account for nearly half of all cash crop receipts in America but have been underrepresented in previous Farm Bills.

The 2008 Farm Bill includes strong specialty crop provisions reflecting the priorities of the Specialty Crop Farm Bill Alliance (SCFBA), of which USApple is a founding member. USApple and other SCFBA members worked with key leaders in the House and Senate for nearly three years to make the case for specialty crop funding. USApple leaders testified in support of these programs at Agriculture Committee hearings in Washington, DC, New York, Virginia, and Indiana.

The Farm Bill reauthorizes important programs including the Market Access Program (MAP), which is the primary source of funding for the export promotion activities conducted by the Washington Apple Commission (WAC) and the U.S. Apple Export Council. The legislation also



USApple staff and Washington apple leaders sample apple varieties at Broetje Orchards in Prescott, Washington last month. Pictured here are (l to r): Diane Kurrle, director of public affairs, USApple; Todd Hultquist, director, communications & membership, USApple; Nancy Foster, president & CEO, USApple; Keith Mathews, executive director, Yakima Valley Shippers-Growers Association; and Debbie Carter, technical issues manager, Northwest Horticultural Council.

reauthorizes and expands conservation programs, including the Environmental Quality Incentives Program (EQIP).

The Farm Bill provides funding for a new Specialty Crop Research Initiative and significantly expands the Specialty Crop Block Grant Program, the Fresh Fruit and Vegetable Program and USDA purchases of fruits

Public Affairs, page 2

USApple 2008: Year in Review



Nancy E. Foster

As the New Year advances, I'd like to take the opportunity to share how your association is in full swing for 2009. We are building on the accomplishments and challenges of last year in a different and vastly more liberal political world in Washington, D.C. In this special issue of *Apple News*, we turn back the clock to review 2008 and look at what to expect in 2009 that will affect your business decisions and our industry.

Highlights of 2008 included USApple staff work in the federal legislative and regulatory process and educating consumers on the benefits of apples and apple products. USApple industry leaders and staff conducted a successful crisis simulation exercise to reinforce the association's readiness to manage a major apple crisis. USApple helped keep the industry up to date on key apple issues in columns in major apple and produce magazines. The

Year in Review, page 12



USApple member Mark Nicholson of Red Jacket Orchards, Geneva, NY, shares a laugh with then-Senator Hillary Clinton (D-NY). USApple members were very involved with local and national elections nationwide in 2008.

Public Affairs (cont.)

and vegetables. The Farm Bill also creates a new permanent disaster program which includes mandatory funding for the Tree Assistance Program (TAP).

Funds have been awarded for the Specialty Crop Block Grant Program and the Specialty Crop Research Initiative. Many states are targeting the initial block grants fund toward food safety and marketing programs that benefit specialty crops in a broad sense. As funding under the Specialty Crop Block Grant Program ramps up over the next several years, state departments of agriculture will award the grant money to specific crops.

USDA is gearing up to increase fruit and vegetable purchases and plans to use a portion of the Farm Bill funds to launch a fresh sliced apple pilot program in six states. USDA eventually plans to expand the program, which brings fresh sliced apples to the federal school lunch program, nationwide. USApple is working with the fresh sliced industry and USDA officials to expedite start of the program.

Public Affairs, page 7

Crisis Management is Core of USApple Communications Strategy

In recent weeks we have seen the peanut industry devastated by a salmonella outbreak that involved more than 100 different products and forced the recall of hundreds of thousands of pounds of product. Last summer the tomato and jalapeno pepper salmonella scare seemed endless, and not long before that, E-coli H:157 inflicted an extremely costly hit to the bagged lettuce industry, from which it still has yet to recover.

Poorly managed threats – whether by individual companies or regulatory agencies – can easily escalate into a crisis for operations and the whole industry. And the reality is that while not all crises are avoidable, they can be anticipated and – when prepared for – dealt with effectively and efficiently.

For 20 years, the USApple has been charged with the responsibility of managing crises for the domestic apple industry. As the voice of the national industry, we have

taken steps to safeguard the image of apples and apple products by managing issues as they arise and thoroughly preparing for potential crises.

In 2008, USApple continued to develop and refine an organizational and industry crisis management plan. The year included substantial staff training and simulation exercises – conducted by nationally acclaimed crisis management firm Levick Communications – that included USApple officers and other apple industry leaders. The exercises were designed to test the plan and our designated crisis team. We also continued to identify possible crisis areas, gathered key information, expanded our talking points and developed templates for crisis statements. Determining which issues to focus on requires ongoing assessment of issues facing the industry. By evaluating the likelihood of risks posed on a regular basis, USApple is better

able to anticipate, prepare for and monitor key crisis areas.

Levick executive Dave Bartlett addressed the USApple Board of Directors at the August Board meeting, noting that our staff was “well prepared” and “in sync” throughout the simulation, but also advising companies to be “vigilant” in preparing their own crisis teams.

USApple’s responsibility is to serve as the voice of the industry, act as an information clearinghouse, and to safeguard the image of apples and apple products from disparagement in the national media. In the event of a potential national crisis situation, we urge all members of the industry to immediately contact your state executive who will then contact the USApple staff. In states without an executive, contact USApple staff directly. To view the USApple Crisis Communications Plan, visit the Members Only section of our web site at www.usapple.org. 🍏

USApple Leads Consumers to Pick Apples for Taste, Health Benefits, Convenience, Versatility

Today's consumers have an abundant variety of choices when they enter a supermarket. These modern consumers are increasingly health conscious and looking for products that are not just "good for you," but that also help with specific conditions and diseases. This is what drives USApple's dedication to getting consumers the information they need to get them to "Pick Apples."

Throughout the year, USApple's education program promotes the health benefits and great taste and variety of apples. Information on apples is taken directly to the editors of major media, particularly those reaching USApple's key demographic target: young mothers. Magazines such as *Everyday With Rachel Ray*, *Martha Stewart Living*, *Woman's World*, *Quick & Simple*, *Parade*, *Real Simple*, *Family Circle*, *Good Housekeeping*, *Child*, *Life*, *Shape*, *Cooking Light*, *Southern Living* and *Reader's Digest* all featured apple features in 2008, as did food, lifestyle and feature sections of major newspapers; consumer segments from network news affiliates; TV's popular *Food Network* and *Mr. Food's Easy Cooking*, and online sites such as recipes.com. These apple features were seen by millions of consumers nationwide.

Many of these articles featured recipes created by USApple and featured on the USApple website –

with photos and a complete nutritional analysis! Ranging from smoked turkey apple fennel salad to apple bacon popovers, the recipes offer a variety of ways to tempt consumers to purchase more apples and keep U.S. apples "top of mind" amid the surge of information from other snack items trying to gain popularity with consumers.

With a large supply of apples in storage and increasing foreign competition, the coming year will bring new challenges to the industry in marketing apples. Rest assured USApple's education program will continue to provide the tools needed to keep apple sales strong. 🍏



New USApple-Funded Study Shows Apple Juice Consumption Reduces Alzheimer's Risk

Drinking apple juice could help delay the onset of Alzheimer's disease, says a new study recently published in the January 2009 issue of the *Journal of Alzheimer's Disease*. The study was partly funded by USApple.

The study, conducted by a research team led by Thomas B. Shea, PhD, of the Center for Cellular Neurobiology and Neurodegeneration Research at the University of Massachusetts-Lowell, demonstrated that mice receiving the human equivalent of 2 glasses of apple juice per day for

1 month produced less of a small protein fragment called "beta-amyloid," which is responsible for forming the "senile plaques" that are commonly found in brains of individuals suffering from Alzheimer's disease.

The study is a follow up to earlier research, also conducted by Dr. Shea, which revealed that drinking apple juice helped mice perform better than normal in maze trials, and prevented the decline in performance that was otherwise observed as these mice aged.

Dr. Shea said: "These findings

provide further evidence linking nutritional and genetic risk factors for age-related neurodegeneration and suggest that regular consumption of apple juice cannot only help to keep one's mind functioning at its best, but may also be able to delay key aspects of Alzheimer's disease and augment therapeutic approaches."

According to the Alzheimer's Association, by 2010 there will be an estimated 500,000 new cases each year, and nearly one million new cases annually by 2050. 🍏

Nutrition Research – Year in Review

2008 was a busy and exciting year for the USA Apple nutrition research program. Several ongoing studies on the health benefits of apples and apple products came to fruition, while several new USA Apple-sponsored studies got under way. Funding comes from state assessments contributions and membership dues.

Metabolic Syndrome

In April, USA Apple co-sponsored the analysis of the apple and apple product consumption data by children and adults, using data from National Health and Nutrition Examination Surveys (NHANES). The analysis performed by Dr. Victor Fulgoni, a private researcher, found that the healthfulness of the diet was better among adult apple/products consumers than adult non-consumers and may be associated with a reduced risk of metabolic syndrome, a cluster of health problems that are linked to chronic diseases like diabetes and cardiovascular disease.

The findings were presented at the 2008 Experimental Biology meeting and USA Apple worked with the Apple Products Research and Education Council (APREC) to generate media coverage. The story was picked up in daily newspapers and magazines, including *Men's Health*, *Cooking Light* and the Associated Press, reaching millions of consumers nationwide. Dr. Fulgoni is currently producing a paper about the findings which USA Apple hopes will be published in 2009.

Additionally, researchers at the University of Michigan are evaluating the effects of apple and apple products on metabolic syndrome in rats. Completion of the study is expected in late 2009.



Brain Health

Dr. Thomas Shea of University Massachusetts-Lowell is widely regarded for studies on the efficacy of apple juice in human cognitive behavior for several years. In 2008, he produced two research papers about the effectiveness of apple products in fighting Alzheimer's Disease. These papers are scheduled to be published in *The Journal of Alzheimer's Disease* in 2009. Additionally, Dr. Shea has been working on a human clinical trial, sponsored by USA Apple, in which the findings may support the idea of routine apple juice consumption for maintenance of brain health. The study is expected to be completed this year.

Cancer

Dr. Rui Hai Liu of Cornell University continues to investigate the effects of apples and apple products on breast cancer. Preliminary findings build upon previous research done by Dr. Liu that suggests apples can slow the growth of cancerous cells. Liu anticipates that this research will be published in early 2009.

Overall Health Benefits

Dr. Dianne Hyson at the University of California-Davis has been writing a review of all apple nutrition research performed during the last four years. USA Apple hopes to see the manuscript published in the *Journal of Alternative and Complementary Medicine* in 2009. The review is expected to provide opportunities for media outreach to promote the overall health benefits of apples and apple products. 🍏



Outlook Conference, *Market News* Drive Industry Information Program

USApple's annual **Apple Crop Outlook and Marketing Conference** recorded its highest attendance in five years and continued strong sponsor support. The unveiling of critical apple crop data, educational sessions featuring consumer marketing experts and a blend of key networking opportunities helped to define the August event.

The crop forecast included region-specific overviews for the five key apple-producing regions: Northwest, California/Southwest, Midwest/Central, New York/New England and Mid-Atlantic/Appalachian/Southeast, as well as reports from other major global apple markets, including Canada, Mexico, Europe and China.

A key conference highlight was a packed roundtable discussion on apple juice concentrate trends.

Outlook participants featured leaders from all segments of the apple industry, including production, packing, processing, sales, marketing and new products.

Several prominent award presentations were presented at **Outlook**:

- **Apple Grower of the Year:** Nathan and Evan Milburn, Milburn Orchards, Elkton, MD
- **Apple Person of the Year:** George Lamont, Lamont Fruit Farm, Waterport, NY
- **Apple Merchandiser of the Year:** Stop and Shop Supermarkets, Quincy, MA

Plans are already underway for the **2009 Apple Crop Outlook and Marketing Conference**, to be held August 20-21 at the Ritz-Carlton Chicago. Online registration will be available in May.



Dave Rice (center right), Rice Fruit Company, explains the intricacies of the apple industry while offering a tour of company operations in Biglersville, Pennsylvania. The tour was part of a crop insurance symposium held at nearby Penn State University.

Market News

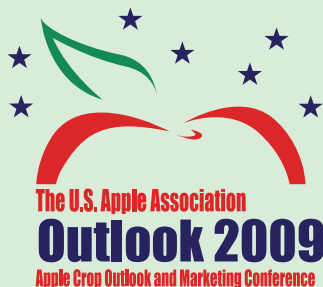
USApple's *Market News* continues to provide timely and accurate information about the current status of apple holdings and movement in the U.S. Data is obtained from surveys of apple storage facilities throughout the country. The report helps apple marketers determine the opportunity level of apple sales. This information is only available from USApple.

Issues Monitoring and Research

In addition to managing the **Apple Crop Outlook and Marketing Conference** and *Market News*, USApple's industry information program monitors and actively participates in discussions on key industry issues such as apple juice concentrate imports, crop insurance, PLU coding and grading standards. 🍏

USApple Thanks Sponsors of the 2008 Apple Crop Outlook and Marketing Conference

BASF
Bayer CropScience
Dow Agrosciences
Mahkteshim Agan
Syngenta
Valent Biosciences
AgroFresh
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Kouse Food Cooperative
Tree Top, Inc.
Mott's
Atlas Pacific
Pioneer Farm Credit Services
Farm Credit of Maine
Yankee Farm Credit Services
Northwest Farm Credit Services

New USApple Membership Program Presents Strategic Growth Opportunities in 2009

A complete reform of USApple's membership program, including new member categories and a revised fee structure, will broaden the Association's base of industry support. This expanded membership effort will contribute to a larger, more diverse and engaged membership in the coming years. By working closely with state apple associations and conducting a broad outreach effort, USApple aims to further strengthen industry representation and create a more vibrant, efficient and results-focused organization.



USApple provided a Capitol Hill and organizational update to the Washington Apple Commission (WAC) Board of Directors during the WAC's December Board meeting. Taking a break from the action: Todd Fryhover, president, WAC; Robin Mooney, vice president, WAC; Nancy Foster, president & CEO, USApple; Ken Severn, former WAC president; Bill Dodd, executive director, Ohio Apple Marketing Program and chair of USApple's membership-communications committee; Diane Kurrle, director, public affairs, USApple; and Todd Hultquist, director, communications and membership, USApple.

New Membership Structure

USApple membership in 2009 will be broken down into three categories:

Grower Membership: Apple growing companies paying annual state assessments can become USApple members – at no additional charge – and receive immediate benefits of a Regular membership. Apple growing companies located in states that do not pay full annual state assessments may become Regular members for a nominal fee. State assessments are based on 7 mills (\$.007) per apple box/bushel produced in each state. **This category is for grower-only companies that are not engaged in packing, processing, shipping, etc.**

Packer, Processor, Shipper, Broker, Importer/Exporter Membership: Business entities primarily engaged in handling, preparing or marketing fruit products – including but not limited to packers, shippers, brokers, importers, exporters, processors and sales agencies. Minimum dues are based on the volume of bushels handled annually.

National Associate Membership: Business/supplier engaged in interstate or international commerce but not directly involved in the handling of apples. Examples include companies in financial services, insurance, equipment, crop protection, etc. These members are not entitled to vote on Association matters.

Members in all categories will be offered the opportunity to upgrade their membership to three new levels – Bronze, Silver and Gold – each with a different degree of enhanced benefits and services.



Apple leaders take a moment to pose with the renowned *Perishable Pundit* columnist Jim Prevor during the annual 2008 Great Lakes Fruit, Vegetable & Farm Market Expo held in December in Grand Rapids, MI. Pictured here are (l to r): Denise Donohue, executive director, Michigan Apple Committee; Nancy Foster, president & CEO, USApple; Jim Prevor; and Julia Rothwell, Belding Fruit Storage, Belding, MI, and treasurer, USApple.

Membership, page 7

PUBLIC AFFAIRS

Public Affairs (cont.)

Apples and tree fruits fared extremely well under the new Specialty Crop Research Initiative. Carnegie Mellon University, working with Washington State University (WSU), Purdue University and others was awarded just over \$10 million for Integration and Automation Research. A number of USApple leaders are involved in this project. In addition, Penn State received \$1 million for fruit thinning technology and WSU received \$2.2 million for codling moth research. Other universities in apple growing regions including Michigan State and the University of California at Davis received grants for non-tree fruit research.

Agriculture Labor: Enforcement and Regulation But No Real Relief

Agriculture labor and immigration reform remains our top legislative priority. USApple is a member of the Executive Committees of the Agriculture Coalition for Immigration Reform (ACIR) and the National Council of Agricultural Employers (NCAE), the two national groups heading up efforts to pass agricultural labor and H-2A reforms. USApple and other members of ACIR and NCAE worked with key members of Congress and the Bush Administration this past year to keep the issue alive and seek opportunities to pass meaningful reform. Election-year politics coupled with an abbreviated schedule meant that Congress failed to act on AgJOBS or the temporary Emergency Agricultural Relief ACT (EARA) proposed by Senator Dianne Feinstein and supported by

USApple and other members of ACIR and NCAE.

While Congress failed to act, the Bush Administration stepped up enforcement efforts at the border, in the workplace and through routine law enforcement activities. The result has been worker shortages and a general atmosphere of fear in many states. USApple and apple leaders from impacted states have been meeting with key members of the Senate Judiciary Committee to apprise them of enforcement activities that have stepped over the line. USApple and other members of NCAE and ACIR will reach out to new members of Congress and the Obama Administration to make the case that enforcement alone will not work.

Public Affairs, page 8



Members of the New York apple delegation prepare to march on Capitol Hill. Pictured here are (l to r): Lee Peters, Jeff Crist, Paul Baker, Marshall Allen, Mark Nicholson and Jim Allen.

MEMBERSHIP

Membership (cont.)

Growth-Focused Task Forces

The USApple Board of Directors in 2008 approved the creation of two task forces to generate membership growth and revenue: the Grower Outreach Task Force and the Allied Industry Task Force.

The Grower Outreach Task Force was launched in to broaden and diversify USApple membership and get growers more involved in organization activities.

Featuring a broad cross-section of USApple producers, the group's mission is to expand apple grower membership and participation in USApple, and to define the benefits

of membership and methods of recognizing members.

The Allied Industry Task Force, to be launched in early 2009, will reach out to industry suppliers to garner support for and sponsorship of USApple initiatives and activities.

Annual Hort Meetings Key to Outreach Efforts

Integral to the new membership campaign is USApple's participation in winter horticulture society meetings in states across America. These special occasions provide a unique opportunity for growers, packers, shippers, processors, marketers and those in the apple industry to get together and celebrate the conclusion

of another harvest and to learn about USApple activities and plans for the coming year.

In December, USApple staff attended the Washington State Horticulture Society's Annual Meeting in Yakima, WA, and the Great Lakes Fruit and Vegetable Expo in Grand Rapids, MI. In February, USApple staff will be in Pennsylvania, New York and New England. In addition to being able to share a view of the national industry, staff gets a first-hand look at the issues impacting the apple industry beyond the Beltway.

If you wish to include USApple on your state program, please contact Todd Hultquist at 703-442-8850 or thultquist@usapple.org.

Looking Ahead

Public Affairs Committee Plans 2009 Agenda

In January, the USApple Public Affairs Committee held an all-day planning meeting in Washington, DC, to recommend the Capitol Hill legislative agenda for the year.

Key USApple Positions and legislative priorities include:

- **Agricultural Labor Reform** – USApple supports passage of agricultural labor legislation like AgJOBS that meets the following objectives:
 - 1) provides a stable, adequate, able and predictable supply of agricultural labor able to participate legally in the U.S. workforce; and
 - 2) addresses the high level of H-2A wage rates, simplifies the program and provides legal reform to remove unreasonable employer sanctions.
- **Food Safety** – USApple supports food safety rules and guidelines that are risk-based and reflect sound science – those which are prudent, practical and fair, and that allow your business the flexibility to incorporate meaningful food safety practices while maintaining the competitiveness of U.S. producers.
- **Employee Free Choice Act (EFCA)** – USApple opposes the EFCA, also known as “card check,” which would take away the secret ballot for determining union representation. The legislation sets a strict timeline for first-time contract negotiations and, if it is not met, a federal arbitrator would determine a two-year binding contract covering wages, benefits and other issues.
- **Child Nutrition Reauthorization** – USApple supports an increase in the reimbursement rates for school meals tied to the implementation of the USDA Dietary Guidelines and funding for non-food assistance grants to help schools purchase equipment such as refrigeration. USApple also supports expansion of the Department of Defense (DOD) Fresh Program, Fruit and Vegetable Snack Program and Section 32 purchases as part of the 2009 Child Nutrition Reauthorization Act.

USApple will work on its own and with key coalitions in support of these priority issues. 🍏

Public Affairs (cont.)

In 2008, USApple, NCAE and others in agriculture successfully fought off efforts by the Bush Administration to require companies entering into contract with the Federal Government to utilize the federal electronic employee verification program known as E-verify. As initially proposed, the requirement would have applied to procurement for federal feeding programs such as the National School Lunch Program and the Department of Defense (DOD) Fresh Program. In the comments submitted to the Bush Administration, USApple argued that applying the requirement to produce such as apples companies would drive these businesses away from doing business with the federal government. The final regulations were revised to exempt apples and other agricultural products from the requirement.

USApple and other members of NCAE and ACIR continue to work in opposition to implementation of the Social Security “no match” rule. The proposal – which has been delayed by a lawsuit – would require employers who receive social security “no match” letters to fire employees within 60 days if the discrepancy between the SSA and the employee’s information has not been resolved.

In an effort to balance the sting of enforcement, the Bush Administration proposed changes to the H-2A guest worker program last winter. Overall reaction to the proposal was mixed. USApple joined NCAE and others in labor intensive agriculture in submitting comments to the Department of Labor and the Department of Homeland Security on the proposal. The new regulations were scheduled to take effect in mid-January. However, a lawsuit filed by the United Farmworkers and strong opposition from many in Congress may reverse them long before apple harvest begins.

The uncertainty of regulatory reform and the likely continuation of enforcement measures further underscore the need for legislative action. USApple and our coalition partners in ACIR and NCAE will continue to make this a top priority with the 111th Congress and the Obama Administration. 🍏



Checking the Books: US Apple's Financial Overview

To keep USApple running smoothly, USApple's Finance and Administration program oversees the Association's financial and human resources functions, and ensures association compliance with all applicable state and federal laws and guidelines.

The unaudited financial statements for the fiscal year ending June 30, 2008, show USApple accrued revenues of just over \$1.878 million and accrued expenses of approximately \$1.852 million. The Association's net assets stood at \$2.1 million

On a cash flow basis, revenue exceeded expenses for the fiscal year by \$110,893.

State assessments represented the largest share of USApple's budget, supplying 75% of funds. The annual **Apple Crop Outlook and Marketing Conference** was the second largest contributor to USApple's budget.

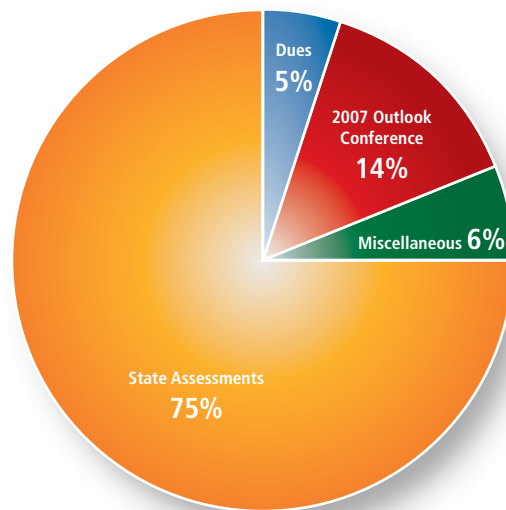
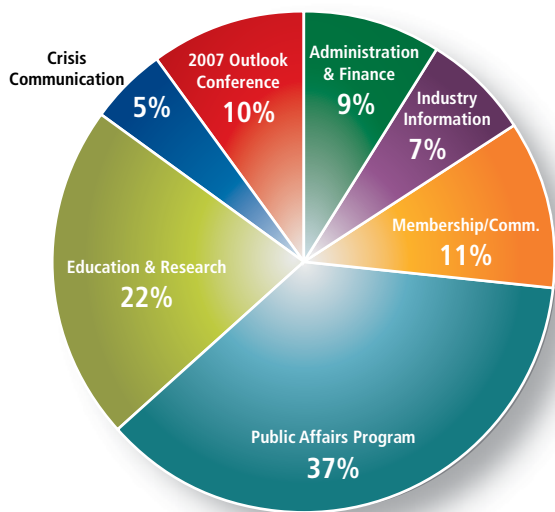
The public affairs, education and crisis management programs continue to be the focus of USApple's efforts for the industry, and represent the largest share of the Association's expenditures.

In addition to USApple's general program budgets, the Association's statement of activities includes separate accounts for the self-funded National Apple Month's



domestic retail and foodservice promotion program. The Association also administers financial accounts for the Tree-Fruit Technical Advisory Council (TreeTAC). These programs are separately funded through voluntary assessments of industry members and state producer associations.

For more information, contact USApple's Director of Finance and Administration Melaine Sprigler by telephone at (800) 781-4443, or email at msprigler@usapple.org.



Mark Seetin Joins USApple Staff as Director, Regulatory & Industry Affairs



Mark Seetin

USApple recently welcomed Mark Seetin to the USApple staff in the position of Director, Regulatory and Industry Affairs.

Mark's responsibilities will include representing apple industry's issues to the federal Executive Branch regulatory agencies and related coalitions as well as management of USApple's industry information program. He will serve as the staff representative to the Industry Information Committee. Mark will focus on a variety of regulatory and technical issues involving apple production and marketing, including research, crop protection, food safety, imports, federal government purchases, crop insurance and biotechnology.

Mark has experience as a farmer, as a state agricultural head and as a senior level executive with responsibility for issues ranging from agriculture and natural resources policy to business and finance at the state and federal levels.

Mark most recently served as senior vice president, government affairs, for the American Stock Exchange (AMEX), working extensively in the areas of energy and natural resources. His work included monitoring and analyzing legislative initiatives and regulatory proposals and coordinating the preparation of corporate testimony for legislative and regulatory hearings. The office also coordinated communications with Congress as well as other federal and state level legislative and regulatory bodies.

Mark previously was a consultant to the Natural Resources Conservation Service of the U. S. Department of Agriculture focusing on renewable energy, and earlier consulted to the U.S. Department of Energy.

Earlier in his career, Mark served as the Commissioner of Agriculture for the State of Minnesota, leading a workforce of over 700 employees in 17 divisions with regulatory responsibilities across the state's food, fiber, and renewable energy system. In addition to the traditional agency oversight responsibilities, among the duties of the Commissioner was to serve as Chairman of the Governor's Council on Rural Development (the Council's successor organization is now called Minnesota Rural Partners), a state body with membership including agricultural associations, regional and community development organizations, educational institutions, and community action agencies. 🍏



USApple Vice Chair John Teeple (right), Teeple Farms, Wolcott, NY, displays hail-damaged apples to USApple Director of Communications and Membership Todd Hultquist during a summer orchard tour. New York was hit hard by a series of hailstorms early in the growing season.



National Apple Month Drives Sales Increases at Retail

Each year the *National Apple Month* (NAM) contest inspires supermarkets and military commissaries to compete for cash prizes by building apple displays that encourage consumers to buy more apples, apple products and the products of the contest partners. The nation's only generic retail apple promotion, NAM is an independently funded program that is overseen by USApple. The contest is made possible by support from its key industry partners and individual industry members.

National Apple Month honored Stop'N Shop Supermarkets, Quincy, MA, and Lackland Air Force Base Commissary, San Antonio, TX, as the **2008 Apple Merchandisers of the Year**. As a retailer, they support the



NATIONAL APPLE MONTH

apple industry 12 months of the year by promoting and featuring apples and apple products while providing their customers with consistent quality merchandise every day of the year.

NAM was pleased to have two outstanding organizations as partners in the contest for 2008: the T. Marzetti Company and JM Smucker's Company. Products from the two partner organizations, Marzetti Caramel Apple Dip and Smucker's Natural Peanut Butter, were included in the retail displays.

The average display carried nine different apple varieties, with some carrying many more; while processed apple products numbered as many as seven. Retailers capitalized on the use of apples throughout the store by including items from their in-store bakeries that included apples and apple products along with various products throughout the store that had apples as an ingredient in the product.

Stores participating in the promotion reported an average increase of 14.5 percent in apple sales over the previous year, and apple product sales were up more than 10 percent.



Great Apple Crunch

Additionally, *National Apple Month* continues to work with foodservice operators through their editorial contributions and the *Great Apple Crunch* promotion targeted at schools nationwide. In 2008, millions of school students, teachers and administrators participated in the one-day promotion that was supported with a U.S. House of Representative's Congressional Resolution.

For more information on the *National Apple Month* program's planned activities and membership, contact Program Director, Kay Rentzel, at (717)-432-0090 or email ksrentzel@aol.com.



This vibrant display at Lackland Air Force Base, San Antonio, Texas, was the 2008 National Apple Month award winner in the commissary division.

INDUSTRY NOTES



Do you have comments, questions or suggested story ideas for the next issue of *Apple News*? Contact Todd Hultquist at USApple:

☎ (703) 442-8850

✉ USApple, 8233 Old Courthouse Rd., Suite 200
Vienna, Virginia 22182

📧 applenews@usapple.org

Year in Review (cont.)

2008 Apple Crop Outlook and Marketing Conference provided one-of-a kind marketing and production information, and *Market News* tracked apple trends from production to storage.

Looking ahead, as a result of the 2008 elections “change” took Washington, D.C. by storm with the inauguration of a new President, the seating of the 111th Congress and changes in executive levels in all federal departments and agencies.

The challenges for the Obama Administration and the new Congress are enormous. The challenges for our nation are no less so. Addressing the severe economic downturn here and abroad and two wars are basic priorities that President Obama and Congress will deal with before the rest of their agenda. Look for increased federal regulation as new directions are implemented in environment/climate change, food safety, worker protection/advocacy, health care reform, education, and other areas. For the apple industry, the new agenda means positives too, notably President Obama’s commitment to meaningful immigration reform for agriculture and promotion of health, nutrition and fighting obesity which will help increase demand for apples and apple products. The new President’s agenda is broad and deep; even today’s White House website contains 30 priorities (www.whitehouse.gov) and public expectation is high for results.

On a personal note, I want to say how honored I am to serve you as USApple’s president & CEO now for six and a half years. And it is also just plain fun. The good people in the industry make it that way. I joined your association in 2002 as the industry was emerging from severe economic downturn and moving into period of increased profitability and expansion. If I have learned one thing it’s that “every apple crop year is different” and Mother Nature delivers surprises that test what we’re made of and demand progressive thinking, flexibility and marketing creativity. While our industry can be cyclical, we are positioned well for the future with new harvest and storage technology, production advances and increasingly health-conscious consumers.

In 2009, USApple will be an impact player promoting and defending your business in Washington, D.C., encouraging consumers to enjoy good-for-you apples and products, and standing ready to defend our industry in the event of a national media or consumer crisis. We will also provide you with industry information helpful in making market decisions. Please consider us your partner in the Nation’s Capital working for you and the betterment of the American apple industry. As our mission statement says, “USApple will advocate for American apple growers and their industry partners on national issues in order to promote the profitable production and marketing of apples and apple products.” 🍏

Save the Date!

2009

**Apple Crop Outlook
& Marketing Conference**

August 20-21, 2009

**Ritz-Carlton Hotel
Chicago, IL USA**

www.usapple.org

The U.S. Apple Association
Outlook 2009
Apple Crop Outlook and Marketing Conference