



USA Pear Activities

Pear Bureau Northwest

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Activity Set for a Strong Season Start

The domestic program is seeing a defined upswing in early season promotional push across all available varieties, with the majority of US and Canadian retailers eagerly seeking to display and promote Northwest Pears starting in August. A strong motivator supporting early USA Pear display and promotion is the reduced California crop. This season, a number of traditional retailers are moving to Northwest Pears four to six weeks earlier than in prior seasons, when they would transition to USA Pears in early to mid October.

This 2005-2006 season marks the launch of the Pear Bureau's account analysis and program development based on our in-house data system. Each account has a comparative analysis generated, which looks at their year-over-year performance as well as competitive performance. The identified strengths and weaknesses of the retailer are then used to create that account's full-season promotional agreement based on performance targets. As the system continues to grow and evolve, the potential to provide ever increasingly dynamic direction and promotional motivation will continue to rise - building volume movement and potential for profitability.

There are over 140 full-season promotional agreements now in place set to run between now and the end of April. The regional managers are actively working with large and small retailers throughout the US and Canada to lock down additional promotional support that will generate good results.

Read more about major promotion activity areas such as sampling and in-store radio outlined on page two.

Promotion Highlights:

- (as of 9/19/05)
- Full-Season Promotions - 144
- Current Ads - 54
- Layered Promotions - 30
- Sampling Agreements - 3
- School Food Service - 7
- Trade Show Agreements - 23

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International Reps Convene to Map out Season, Share Experiences

The Pear Bureau held an International Rep Conference on September 3-4. Due to its central location to most of our international reps countries, the Pear Bureau picked Istanbul, Turkey as the host location for the rep conference.

The conference was paid for by Section 108, a federal funding program, and all 16 representative offices were in attendance in the two-day conference.

This was the first time that the Pear Bureau has had all the representatives present for a rep conference meeting. Some of the agenda topics included UES (Unified Export Strategy) planning, Crisis Communication planning, how to write better Constraint Progress Reviews, and addressing some outstanding administration issues.

This conference was a great opportunity for our reps to share experiences, new activity ideas and discuss new consumer trends that will help create more exciting and innovative promotional programs for the upcoming seasons.



Renew Your PBNW/Retail Working Agreement

In order to better facilitate promotion activity between a specific retailer, shipper and the Pear Bureau, a signed working agreement must be on file at the Pear Bureau. This letter acts as an authorization for the Pear Bureau to share information pertaining to specific promotional programs with the shippers. For more information, please contact Dennis James at 503-652-9720 or djames@usapears.com

View the most current crop availability at trade.usapears.com

Take a moment to sign up for our members-only password protected website to gain access to reports, research and more.

CONTACT THE PEAR BUREAU:

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NOTE: Information in this bulletin is confidential, and intended only for release to members and employees of Northwest Pear industry of Oregon and Washington.



Ripe Program

Support for ripening programs is increasingly requested by retailers and our membership. The Pear Bureau continues to evolve its support to stay in line with methods and materials that will build a constant demand for ripened pears. Dennis Kihlstadius will again provide consulting services this season - for which we are already receiving strong requests.

In addition to the ripening guidelines within the Handling Manual and a range of POS signage, the Pear Bureau plans to create a consumer brochure informing consumers how to finish up the ripening process at home - resulting in a pear that is at an ideal level of ripeness. This brochure would be offered as a take-away from USA Pear displays

In-Store Radio

In-store radio will be running from October through March at over 6,500 stores including Safeway, Kroger and other mid to large retailers. From October to mid-November USA Pear radio spots will also run in over 7,000 pharmacy stores like Rite Aid and Walgreens to announce the nutrition and health benefits that Northwest Pears offer and let them know to watch for more information about pears on TV's "Today's Health" and "Parenting and Beyond." (see more about these shows in the PR update on page four)



Sampling

Sampling demos are being set up with those retailers who are introducing ripe initiated pears to their customers this season or are highlighting varieties that they have not traditionally carried. As both of these areas continue to grow, the Pear Bureau continues to focus the use of these dollars where we are confident that we are building Northwest Pear consumption and year-over-year demand for a wider range of USA Pear varieties throughout the season.

Red Promotions

Red promotions have been established with a majority of accounts to take place throughout the entire Northwest season. After helping retailers see the profit potential for red pears over the last few seasons, red promotional activity is becoming a more defined segment in the eyes of an increasing number of retailers. In addition to traditional promotions, packaged promotions like "Red for Life" health focused promotions are being strategically used as period motivators to drive red movement.



Halloween PEARade

In place for the fifth year, the Halloween PEARade continues to be an early-season promotion favorite for smaller retail chains. This year, fourteen regionally based retailers with a total of 118 stores will be participating in this retail/community promotion. During the month of October, retailers will showcase USA Pears inside a Halloween-themed display. Concurrently, an art contest for third - fifth graders will be held in schools that are in proximity of the retail locations. In this way, a connection is made between the retailer and their community – and reinforces where parents can buy USA Pears during the candy-heavy Halloween holiday period.

School Promotions

We have several programs in place to encourage schools and districts to place USA Pears on their menus.

First we have the PearBear school readings, conducted by the program's creator Maggie André. As a requirement to earn a reading, the regional managers secure an agreement with the school system to have USA Pears on the menu for the entire month in which the reading is conducted.

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Visit our trade website to see samples of our current POS offerings.

Promotional Program Overview Highlights: Mexico

The Pear Bureau is planning some changes to the promotional program in Mexico. After reviewing our latest research on consumer purchasing behavior in Mexico, the Pear Bureau is redesigning POS materials for the upcoming season. Instead of using the animated pear characters to communicate our consumer message, we have returned to showcasing the natural beauty of the pears in our mainline POS materials and using the pear buddies as support pieces, as well as in school promotions with kids.

The Pear Bureau is also planning to change the way we approach the retailers with in-store promotions. We will be building in more requirements into our promotional agreements with the retailers which will require them to add shelf space, give us a more prominent position in the produce area and carry more varieties. In doing this, we plan to work with them on a more strategic level whereby they are able to leverage our promotional support in their plans to increase the overall volume of USA Pears they plan to move through their stores next season.

The Pear Bureau also received funds to spearhead a new US Fresh Fruit Road show promotion in Mexico next season. This activity will be funded from some special government funds set aside for joint commodity activities. For this Road Show event, the Pear Bureau will partner with Washington Apples, California Kiwis, USA Apples, California Pears, California Table Grapes, California Strawberries and California Tree Fruit to create a mobile learning center for consumers. The US Fresh Fruit Road Show will be launched in mid-January and run for two months for those commodity groups that are in the market during the winter in Mexico. A second phase of the Road Show will be launched during the summer. The Road Show will be set up at different supermarkets, hypermarkets, schools and traditional markets in and around Mexico City.



sample of new Mexico POS - table skirting

EU Pear Crop Forecast

The EU pear crop forecast was released at a recent Prognosfruit conference. The EU pear crop production is estimated to be 4 percent below last year but about 1 percent above the five-year average.

Among the major varieties, Abate is projected to decrease by about 6 percent and Williams by 7 percent. Conference pear production is expected to increase by about 1 percent. The full report can be viewed on the password protected section of the Pear Bureau's Website in the Crop Reports section.

International Season Preview

The Pear Bureau is expecting to see a very good export year this season. With a larger crop, more smaller sized pears and probably more fancy grade pears available, higher numbers of pears should be shipped to the export markets. Plus, the market factors in some of our top export markets are hinting at the potential for some good increases in the export volume compared to the past couple of seasons.

The Mexican peso has gained strength in the last several months and will make our USA Pear exports more competitive and possibly offset some of the additional costs the fuel surcharges have added on to the cost of trucking the pears to Mexico. Last season, the Mexican Peso was trading at 11.6 pesos to the dollar, now it is around 10.7 pesos to the dollar – a 9 percent increase in the strength of the peso. Brazil, our second largest export market, has also shown an improved economy the past six months. The Brazilian real is now trading at 2.40 to the dollar, where last season it was trading at 2.90 and above. This is more than a 20 percent increase in the value of the real against the dollar and again, this should make USA Pears more competitive in the Brazilian market.

USA Pears should also see continued growth in exports to Russia and India as these are two of the industry's top new, growth markets. Russia has recently emerged as a top ten export market for the industry for the first time since Western Russia began importing USA Pears. Exports reached around 170,000 boxes last season and the expectation for this season is over 225,000 boxes. India is one of the industry's newest export markets. This will be the third year of

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Looking for copy, recipes or photography for your own media opportunities? Contact Laura Wieking to facilitate the use of Pear Bureau materials. lwieking@usapears.com or 503-652-9720

School Promotions cont.

A new component of the PearBear program is called BearHugs. This program allows us to provide a series of lesson plans that use pears to help teachers to make reading, writing, geography and other school subjects a fun exercise.

The “Buddies For Life” program, which is in development, moves pears out of the lunchroom and into the schoolyard by teaching kids that USA Pears are an ideal part of an active healthy lifestyle. Key school systems will be targeted for a visit by one of two Olympic athletes that the Pear Bureau has under contract. As part of this visit there will be playground activities and a talk about healthy eating along with regular exercise being one of the best ways to stay healthy.

International Preview cont.

promotional activities in this market and the expectation is for the export volume to double in volume again from 35,000 boxes last season to 70,000 boxes this upcoming season.

In the Asian markets, the Pear Bureau is facing tougher competition from Chinese pears, which dominate the market. However, the Asian markets still show room for growth, especially for some pear varieties like Red Anjous. In Europe, the European pear crop is estimated to be down by 4 percent from last season which should open up some opportunities in the top European markets like Sweden, Germany and the UK.

PMA Booth

The Pear Bureau invites any attending shippers to use the office area in our booth to conduct meetings.

For information about our booth and logistics, please contact Teresa Hare at the office. 503-652-9720 or thare@usapears.com

Pear Refresher Produces Results

In March 2005, PR Manager Laura Wiekling traveled to New York to meet with food editors at some of the nation’s top magazines. Editors were invited to participate in a “Pear Refresher.” The presentation highlighted availability, fiber/nutrition and ripening. Sweet and savory pear appetizers prepared by a local chef completed the sensory experience.

To date, this fresh approach has produced exciting results including a ¾-page full color placement in *Fitness* magazine (August ’05), and a mention in *Shape* (May ’05) resulting in 3.23 million impressions. We’ve also received verbal commitments from *Men’s Fitness* (November), *Woman’s Day* (October) and *Martha Stewart’s Everyday Food* (October and November) and *Fine Cooking* (Dec ’05-Jan ’06).

USA Pears Shine on Television

This season, USA Pears will be featured in four national television shows.

Two of the shows are cooking/food oriented series broadcast on public broadcasting stations throughout the country. Caprial and John’s Kitchen is a northwest-focused show that features northwest products. Pears are featured in at least two of the episodes, which are repeated several times throughout the year. The second is called The Head Table. This show, which is still in production, is a combination cooking and discussion forum, focusing viewers on food issues that can directly affect them. Topics will include nutrition, buying US-grown food, obesity and other current issues that revolve around food.

The other two shows will highlight pears as a beneficial addition to the diets of every family member. “Today’s Health” hosted by tennis star Chris Everett, and “Parenting and Beyond,” hosted by actress Cheryl Ladd, will run from late September through November on national television stations like NBC, CBS, ABC and Fox. At the same time these segments will be aired on over 400 radio stations and in 1,600 GE hospitals throughout the US. The messages that these programs will help convey is the health benefits of pears and the value of getting pears into kids’ lunchboxes.