

SUMMER 2017



SCANDINAVIA

Grapevine



AN UPDATE FROM THE CALIFORNIA RAISIN INDUSTRY



Welcome to the latest issue of the California Raisins newsletter, where you can read about the California Raisin Administrative Committee's activities in Scandinavia.

Our current crop year began in August 2016 and shipments of California Raisins into Denmark, Finland, Norway, and Sweden are strong. If your products contain California Raisins we may be able to help you promote them, and if they don't then read on to find out why you should be using them.

BRAISED FENNEL, CALIFORNIA RAISIN & PINE NUT SALAD



Cover Recipe

INGREDIENTS

40 g California Raisins
 Olive oil
 White balsamic vinegar
 Salt and pepper
 4 chicons of red chicory (quartered)
 2 fennel bulbs
 2 tbsp flat leaf parsley, coarsely chopped
 25 g pine nuts, toasted
 125g goats cheese, crumbled
 Handful of young spinach leaves
 1 tbsp balsamic vinegar
 5 tbsp extra-virgin olive oil
 half a lemon
 Salt and pepper

Boil a small pan of raisins covered in water set aside for 15 mins.

Mix 3-4 tbsps of olive oil with a slug of balsamic vinegar and season. Place the chicory in the mix to coat.

Remove outer fennels leaves and trim the tips. Quarter each head lengthways and slice off the base. Place into gently boiling water for 4 mins until tender. Remove and drain.

Heat a griddle pan until very hot. Oil the fennel and griddle it on both sides until lightly charred. Set aside.

Remove chicory from the marinade and griddle until softened. Mix oil, balsamic vinegar, a good squeeze of lemon and season.

Toss in the chicory, fennel and parsley. Drain the raisins and scatter these, pine nuts and goats' cheese over the top and serve.

Second largest market for California Raisins

Scandinavia represents an important export market for California raisins with a combined total for Sweden, Denmark, Norway and Finland of 8,004 tons to May 31st 2017. This trend looks in line with the 2016 total imports of 9,468 tons at the end of July. Continued loyalty shown by many premium suppliers towards California raisins has been excellent. Scandinavia represents the second largest market in the world for California raisin exports, and accounted for around 8% of the total California raisin exports in 2016.

Scandinavian imports of California raisins have averaged 12,802 tons since 2011 which makes it one of the top 5 export destinations for California raisins.

Sweden remains the number one market in the region having imported 3,131 tons, to date Norway is second in the region with 2,314 tons, then Denmark 1,585 tons, followed by Finland with 974 tons.

Competition has been strong from both Turkey and South Africa, the 'traditional' competitors to California raisins in the region. Turkey looks again to have a large crop – potentially in excess of 300,000 tons, however the bumper crops seen from South Africa appear to have been diminished somewhat by adverse weather.

Although price is important it appears that this is not the only driving factor behind the purchase of quality dried fruit. Particularly among many premium customers in the retail multiples, bakery and confectionery.

Scandinavian imports of California raisins

Sweden	3,131 tons
Norway	2,314 tons
Denmark	1,585 tons
Finland	974 tons

California raisins activities have helped drive demand in some key sectors, in 2017 our focus remains on partnering with the trade such as bakery ingredients supplier KOBIA near Stockholm.

2018 looks to be another strong year for California Raisin exports to the region.

“ One of the top five export destinations for California Raisins.”





Spreading the word in Sweden and Denmark

To further increase the relationship with the baking and confectionery and foodservice sectors and to increase online activity, the RAC launched an advertising and PR campaign across Scandinavia with a variety of online and printed publications.

The RAC's campaign focused on the '100% natural', quality and benefits and the historical safety issues of California Raisins to the Bakery, confectionery and foodservice industry to.

Encouraging them not only to use them in their existing products, but also look to include them in new product development.



1.7m
total
audience

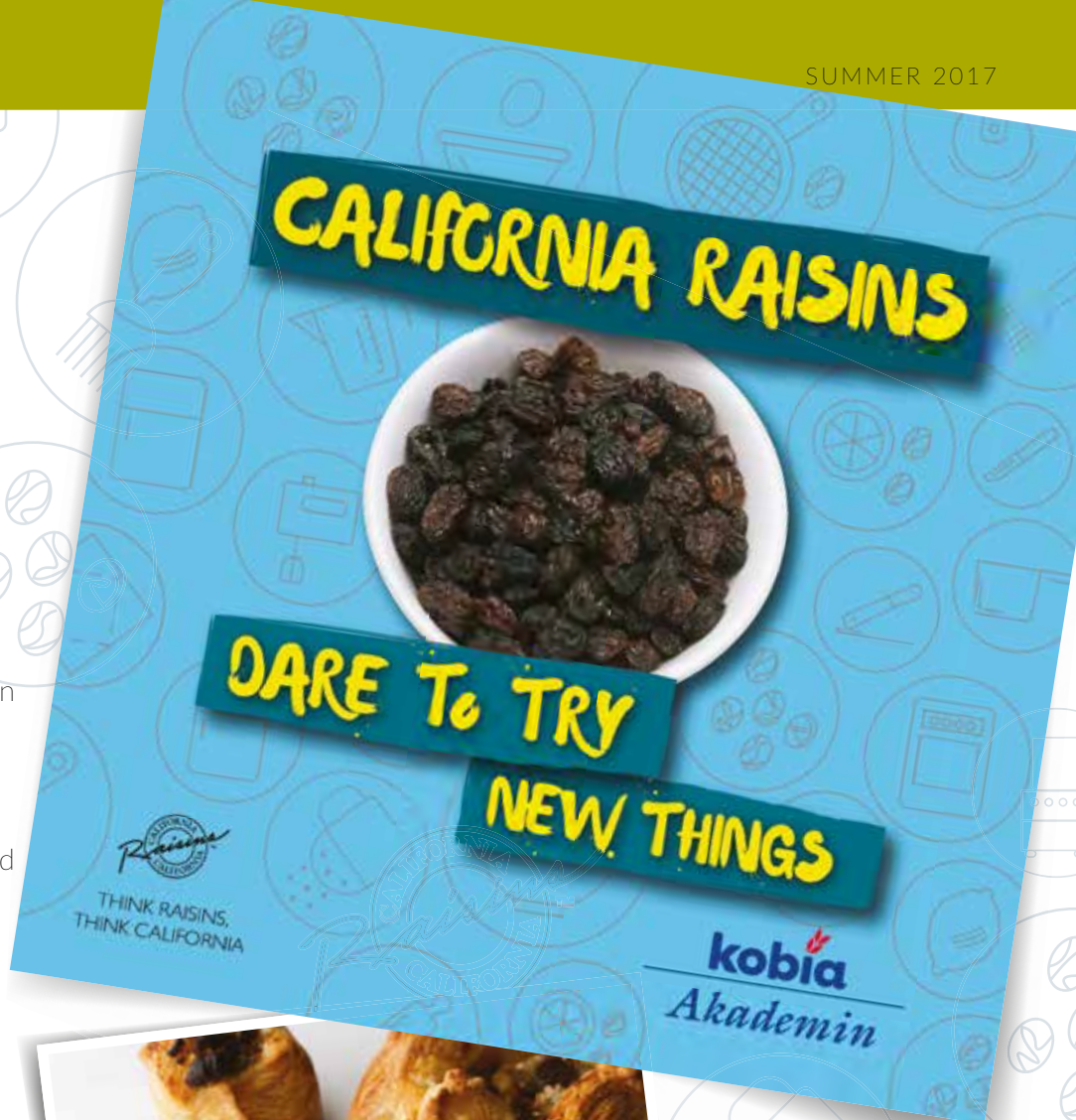
Who dares wins...

There is nothing we like better than spreading the word of the benefit of using California raisins to professionals in the food industry and we are pleased to have worked with award winning Craft Baker and Patisserie, Stefan J Petersen.

Stefan is the resident Craft baker/Patisserie for Kobia, Akademin. Stefan a family man with five children, was born from two generations of bakers/confectioners, who worked very long hours which made Stefan never want to follow in their footsteps.

In the 1980's Stefan opened Café Gateau in Stockholm, where he wanted to learn how to blow sugar but was told he was "completely talentless", he left and joined Wienerkonditoriet (An inspirational bakery/patisserie/cafe serving generous delicacies focussing on world-class gastronomic crafts where accuracy, and expertise characterized everything from pastries and coffee to crepes and champagne).

At Wienerkonditoriet the windows, soon filled with sculptures of sugar and chocolates, expertly prepared by Stefan.



After travelling extensively throughout Europe tasting products from the best pastry shops he then joined one of the best patisseries in the world – Konditeri Wittamer in Brussels. Stefan then ran the famous NK patisserie together with CEO Peter Hartai for 24 years. Stefan then met with Jan Hedh (Swedish Celebrity Chef/patisserie) – and together won the bronze medal at the Konditor World Cup. This was

followed by many other competitions in the industry to include Gold in 2000 and 2004

for sculptures as one of their greatest achievements.

California Raisins are delighted to have worked with Stefan and our new recipe booklet titled 'DARE TO TRY NEW THINGS' include just that a specific collection of new products to include bakery and confectionery selection.





kobia

& CALIFORNIA RAISINS

Kobia is a full-range supplier leading development within the pastry and bakery markets in Northern Europe. Their customers are mainly patisseries and bakeries, but also supply grocery stores, food industries and restaurants.

With three sales and stock units that are in Hässleholm, Västra Frölunda in Gothenburg and Tyresö in Stockholm, they cover a vast area. Their head office and production unit are in Tyresö, where they manufacture almond and baking pastes, marzipan, and fillings.

Kobia employs nearly 90 people and have 900 customers in Sweden. They do business with almost all neighbouring Baltic countries

The RAC partnered Kobia in a 3-month advertising and PR campaign. The target audience included all food sectors across Scandinavia, which consisted of Advertisements, Editorial/PR, and Recipe Development.



Interview with Bjorn Julin

Marketing and Sales Manager for Kobia



1. Who is Kobia?

We are a Swedish manufacturer and full range wholesaler, supplying bakeries, pastry shops and in-store bakeries mainly on the Swedish market. Almond paste, marzipan and custard (fresh) are our main products.

2. How long have you been in the industry?

We were founded 1918, we are looking forward to our 100:th anniversary next year.

3. What opportunities do you see for the dried fruit industry in the coming 5 years?

Dried fruit and nuts have been more and more popular in bread and pastry in the last years and I believe it will continue to grow.

4. What are your main concerns in the industry?

Non scientific diet trends that encourage people to avoid bread etc.

5. What new initiatives/products are you currently working on?

Palm free and lactose free custard. Reducing additives in our products.

6. Why do you use California Raisins?

We like the idea of high quality raisins free from pesticides; it goes hand in hand with our other initiatives. As a wholesaler we must be able trust our suppliers and the quality of their products.

7. In your experience what changes or trends have you seen over the past 5 years?

The "Free-from" trends are growing: Gluten, Lactose, Palm oil. The interest for Vegan and Vegetarian alternatives, especially from the younger generations is also growing.

8. What do you think could improve your industry?

A better understanding for bread as a climate smart alternative. People eat less bread today than 5-10 years ago.

9. How important is quality to your customers?

There will always be customers more interested in price than they are in quality but I feel the share of those interested in quality is growing.

10. How does the California Raisins Administrative Committee help your company?

They help to explain and promote quality products over low quality price fighters.



Scandinavia update

Denmark:

Dansk Supermarked takes over 80 KIWI stores

Dansk Supermarked Group is acquiring around 80 KIWI leases for existing stores and new sites from competitor Dagrofa. Dansk Supermarked Group plans to convert these stores to the Netto discount banner, although the acquisition is subject to approval from local competition authorities. Discounter REMA 1000 is also set to acquire six KIWI leases.

Dansk Supermarked CEO Per Bank said, 'This is a strategically important agreement for Dansk Supermarked Group... I am therefore very pleased with the agreement. It enables us to reach an even broader audience with the enhanced Netto concept'.

Source: Retail Analysis – 13 June 2017

Netto opens 60 new stores in coming months...

Dansk Supermarked's Netto format is to open 60 new Netto stores in the coming months. This follows Dansk Supermarked's acquisition of 81 former KIWI discount stores from Dagrofa, half of which are expected to be converted to the Netto banner.

Source: Retail Analysis – 27 June 2017

Sweden:

June inflation continues to decline in June

Following the slowdown in growth that kicked off the year, the Swedish economy accelerated in the second quarter of the year to register the fastest pace of growth since the fourth quarter of 2010.

The acceleration was primarily caused by a pickup in fixed investment and private consumption. A quarter-on-quarter comparison showed that the economy grew a seasonally-adjusted 1.7%, above Q1's 0.6% increase. The quarterly reading overshoot market expectations of 1.0% growth. A year-on-year comparison revealed that the economy grew a staggering 4.0% (Q1: +2.2% year-on-year) to the surprise of analysts who had expected an annual growth rate of 2.8%.

The result was chiefly driven by the domestic economy, which was supported by increased household consumption and fixed investment, primarily in real estate, which more than offset weak government consumption. Fixed investment picked up from a 2.8% increase in Q1 to register a growth rate of 3.8% in Q2. Fixed investment was helped by the historically-low

interest rates the Riksbank is maintaining. The pace of growth of household consumption nearly double in quarterly terms, it increased from the 0.6% increase seen in Q1 to 1.1% in Q2. Low inflation, a tight labour market and growth in real disposable income spurred private consumption.

The second quarter's result came in above the Riksbank's expectation, which underpins the Bank's view that maintaining negative interest rates is the correct monetary policy tool to stabilize inflation. However, the Riksbank will eagerly await inflation data to confirm its chosen path.

For 2018, our panel projects that the economy will slow down to 2.4%.

Source: Focus Economics – 24 June 2017

Finland:

Kesko: the rise of the 'hybrid consumer'

Finland's Kesko has shared the highlights of recent research it commissioned on food and consumer habits, the findings of which suggest a trend towards the 'hybrid consumer'.

The research saw over 1,026 adults surveyed on food consumption. Findings suggested that 'consumer

behaviour when purchasing food has changed and a new kind of consumer behaviour has emerged and become more commonplace than the price conscious consumer. This new type of consumer has been labelled the hybrid consumer, a consumer for whom only the highest quality or the most ethical option for a particular product is acceptable, but who is simultaneously extremely price conscious about another product'. 48% of survey respondents were identified as hybrid consumers. According to Hanna Santavuori of Frankly Partners who conducted the study 'Consumer awareness has clearly increased - two-thirds of Finns say they make more informed choices about the food they buy than they did previously'.

Source: Retail Analysis – 22 June 2017

Norway:

Circle K trials new forecourt concepts

Forecourt operator Circle K is trialling a new concept at five locations in Norway.

The forecourt at Økern, which claims to be the country's first forecourt with solar panels on the roof has been developed in collaboration with chefs of Flying Culinary Circus.

The forecourt offers a Mexican food counter made with Norwegian produce, in addition to a salad and sandwich bar, which offers customers freshly made gluten-free options and sourdough bread. In-store kitchens have been upgraded, while the forecourt also offers a café section so customers can dine-in as well as take away.

Commenting on the development, marketing director and incoming country head Christoffer Sundby said, 'Future customers are won with the best food and the best customer experience. We're going to blow up all the boundaries of what it is possible to serve at a gas station ... People want to spend less time on some of the day's meals and eat more while they are on the move. But the demands of fast food increases, we want quality, we want freedom of choice, we want honest, healthy, fresh food. All these desires, we will deliver'. says Sundby.

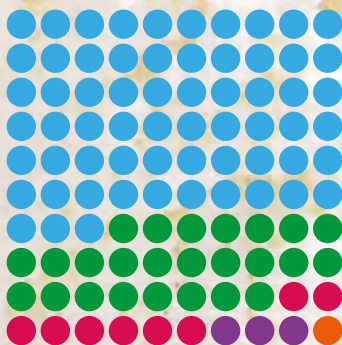
Source: Retail Analysis – 21 June 2017



What the industry thinks

The recently conducted survey in Scandinavia saw 63% of the answers coming from the Bakery sector and 25% from the Confectionery sector, Food Service at 8% and Manufacturing around 3%.





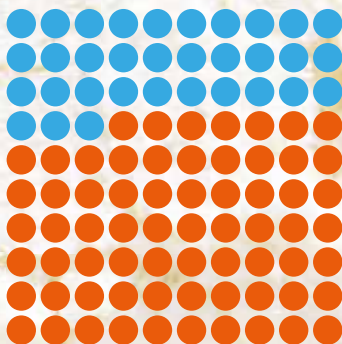
IN WHICH SECTOR DOES YOUR BUSINESS OPERATE?

BAKING	63%
CONFECTIONERY	25%
FOOD SERVICE	8%
FOOD MANUFACTURING	3%
OTHER	1%



WHAT QUANTITY OF YOUR PRODUCTS CONTAIN CALIFORNIA RAISINS?

0	42%
1-3	15%
4-6	24%
7-9	6%
10-12	13%



DO YOU USE CALIFORNIA RAISINS IN YOUR PRODUCTS?

NO	33%
YES	65%

DO YOU KNOW CALIFORNIA RAISINS ARE:

A VERSATILE INGREDIENT NO 42% YES 58%



HIGH QUALITY PRODUCT NO 12% YES 88%



VALUE FOR MONEY NO 45% YES 55%



A NATURAL PRESERVATIVE NO 69% YES 31%



A SUGAR SUBSTITUTE NO 38% YES 62%



HIGH IN FIBRE NO 65% YES 35%



100% NATURAL NO 10% YES 90%



WHAT'S COMING UP

California Raisins have a very exciting year ahead planned which will include:

- Advertising and PR campaign online and print
- Sveriges Bageri & Konditorimassa 22-24 Sept 2017
Sveriges Bageri & Konditorimässa is a unique forum and autumn's great event for the entire bakery and confectionery industry from 22 to 24 September at the Kistamässan in Stockholm. Visit California Raisins at our booth.
- Support of the Nordic Bakery Cup 2017
- Foodex Denmark 18th-20th March 2018
Foodexpo is the largest food trade fair in the Nordic countries and is the professional venue for visitors and exhibitors in the industry. Foodexpo attracts the accurate visitors that love and work with food within: Foodservice and Catering, Hotel and Restaurant and Retail.
- Wholesaler Partnerships
- Development of new products



THINK RAISINS, THINK CALIFORNIA

For information on how the California Raisin Administrative Committee can help or support you, or to arrange a meeting, please contact: Dee Cassey

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