



FALL 2008

GROWERS' CO-OPERATIVE GRAPE JUICE CO., INC. • A PUBLICATION FOR OUR PRODUCERS

112 N. Portage Street • P.O. Box 399 • Westfield, New York 14787 • 716/326-3161 • www.concordgrapejuice.com • e-mail: growers@cecomet.net

GM'S REPORT

A Grower and Customer survey was conducted over the summer as part of Growers Strategic Planning process. I plan on sharing the overall survey results at a later date. There were specific comments received regarding the newsletter that will be addressed here.

Several Growers requested some quick and specific financial results and an opportunity to submit questions. I am modifying this column to address those needs.

Financial Overview (fiscal year through Aug 31)			
Category	YTD	Previous Year	Difference
Bulk Sales (gallons 68 Brix eq)	604,516	477,661	+126,885
Retail Sales (no units)	46816	37606	+24%
Other fruit processing (tons)			
Grapes	2074	1457	
Blueberries	1141	935	
Cherries	566	826	
Other	22	43	
Distributed Proceeds to date (\$/ton)	200	185	+15
Projected crop close (\$/ton)	\$250 - \$260	\$229.80	+ 20 - 30

Bulk Sales were up in F08 vs F07 due to a larger crop available to sell. The crop was effectively sold and all carry over is committed. Retail Sales increased by 24% in F08. We have added the Retail Salesperson position to better manage this growing category and realize its full potential. The processing of other fruits continues to be a key strategy for the Co-op. We broke the \$1,000,000 barrier for contract processing sales in F08 and continue to develop new opportunities in this area.

Growers distributed proceeds are above last year on both an overall, and \$/ton basis. Growers anticipate closing out the 2007 crop in December. Projected earnings are \$250 - \$260/ton (including 9% paper). The Board and management are gratified by these improved results. We would like to thank the employees and growers for their dedication and commitment to the strategies we have implemented. Anyone can have an idea or plan, but it takes hard work and effort and perseverance to pull it off.

As Teddy Roosevelt once said;

"It is not the critic who counts: not the man who points out how the strong man stumbles or where the doer of deeds could have done better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes up short again and again, because there is no effort without error or shortcoming, but who knows the great enthusiasms, the great devotions, who spends himself for a worthy cause: who at the best, knows in the end, the triumph of high achievement, and who at the worst, if he fails, at least he fails while daring greatly, so that his place shall never be with those cold and timid souls who knew neither victory nor defeat."

Those wanting to submit questions can do so at anytime by mail to:

Growers Cooperative Grape Juice Co.
Grower Questions
PO Box 399
Westfield, NY 14787
(No return address if you desire anonymity)

Or, send questions via e-mail to dmom@concordgrapejuice.com
Have a Safe and Productive Harvest!

100 DAY SEASON

MONITORING BRIX:

Imagine an invisible clock ticking once grape bloom occurs in concord vineyards in Western New York. Its digital readout shows that full bloom occurred on June 14th this year. One hundred days after bloom is when the grape crop reaches maturity. Key steps in berry development occur along the way. Soon after bloom the berries reach pea size and it is time to start monitoring Brix levels.

Depending on sunshine, rain and heat units accumulated, about seventy days after bloom is when berries reach veraison or 15% color. After that, thirty more days are needed to reach harvest. Ideally, after veraison the clock will keep ticking and the sun will keep shining not only up to harvest but hopefully through harvest too.

PARTY CRASHERS:

Cloudy, cool and wet weather aren't the only factors that could slow the clock. Powdery and Downey mildew, black rot, Japanese beetles and leaf hoppers also could slow the ripening process. Stressed vines with a large crop load could also require additional time to reach maturity.

Let's all enjoy a successful harvest!!

Steve Baran, President

RETAIL SALES

Hi everyone, as many of you knows I have been hired to fill the newly appointed regional retail sales position. To let you all know a little about me, along with my husband Allen we moved to Ripley 10 years ago to begin grape farming. We have 4 married children and 8 grandchildren. We started with 13 acres of grapes and now manage 75 acres of grapes, 4 acres of peaches, 7 acres of apples and large vegetable gardens, which supply our fruit stand. We have been a part of the Westfield Farmers Market since its inception and I am on the Westfield Chamber Farmers Market Committee.

I am very excited to join Growers Cooperative and the regionalization strategy. The growers have given us a great product that has enabled the company to produce excellent juice, grape seed oil and puree which I plan on spreading out further into the communities.

I have begun my duties by getting to know the plant and staff and receiving lots of training. I have met some of the existing customers and made a few new contacts. Some segments of our retail sales have begun to plateau, indicating a saturation of the current sales base. In year one, through greater coverage and expansion of our territory I plan to achieve a sales increase of at least 25%. This may seem like a big goal but I believe in dreaming big. Someone once told me "Whatever you give a woman, she is going to multiply. If you give her a house, she'll give you a home. If you give her groceries, she'll give you a meal. If you give her a smile, she'll give you her heart. She multiplies and enlarges what is given to her. "So- you have given me the challenge of expanding the retail sales for Growers and I plan to give back a large return.

I am looking forward to working with all of you and I ask for your continued support. Please feel free to contact me with questions and comments at the office 716-326-3161, or cell at 716- 753-6072, or email at patty@concordgrapejuice.com.

Thanks for the opportunity to serve you.

Patty Hathaway, Retail Sales Representative

FIELD REPORT

By the time you receive this newsletter the Niagara harvest as we know it will be behind us; hopefully this went well for all involved. The Concord harvest is on the horizon and set to begin Monday September 29, 2008 at 7am, for many of us this looks to be a very promising crop with a near record estimate in term of tons per acre for the Cooperative. Sugar accumulation appears to be a bit slower than what would be expected with the relatively nice weather since verasion. We at the cooperative are monitoring the sugar accumulation closely and are prepared to make changes as necessary. With the estimate from our growers and the custom processing we are going to surpass 19,000 tons of Concordts to press this harvest. This will be done over a 29 day span closing only October 22 for Kosher clean up and then going idle from 7pm October 24 to 7pm October 25 and finishing October 27. Most of the Concord schedule at this time is complete, if you still do not have yours please contact me ASAP!!

As I have stated the crop estimate for our Cooperative is near record but the Concord crop for the NY/PA/OH region is estimated to be a record breaker. An average crop for this region is 160,000 tons and estimates came in at 225,000 tons belt wide. The crop in Michigan despite the spring freeze is slated at 40,000 tons which is 20,000 tons less than average. The west coast crop is 30,000 tons below average mainly in part to the 3,000 acres of Concordts that were tore out and replaced with Hops.

With this very large crop belt wide and the low returns from other processors there may be that temptation to bring "Black Market" grapes to our Cooperative. Please be aware that we have purchased processing products such as paper and enzymes and have plan in place to sell this crop and be profitable, however we cannot absorb these "Black Market" grapes. Also if we believe there is a contract violation we will pursue this and take the necessary actions to protect our group as a whole!

I am looking forward to meeting and working with this great group of growers for years to come. I wish you all a fruitful and safe harvest!!

Andrew Knight, Field Dept.

A SPECIAL TASTE OF HOME

The US military as we all know are on missions in Iraq and Afghanistan fighting for freedom. We all have away of getting caught up in our life at home and at times we forget about those brave men and women. We are busy with getting ready for season, paying bills, raising



kids and the list goes on. Recently one of our Grower's came in and asked if she could purchase some juice to send to her son in Afghanistan. Grower's Co-Op a proud All American company was happy to donate and send some ready to serve bottles of 100% Concord Grape Juice to her son. The picture above shows that young man and some of his squadron buddies enjoying A Taste of Home. RJ Perdue is in the back row right side (with hat) and is the son of Tim and Deb Perdue of Westfield, NY.

The employees and Board of Directors of Grower's Co-Op want to say THANK YOU to RJ and all of the other men and women who are protecting our freedom and our normal mundane life that we get caught up in. So everyone please take a moment of your busy schedule and say a prayer for their safe return and to say THANK YOU.

Jim Gillespie, Quality Assurance Manager

NY WINE & GRAPE FOUNDATION CONCORD PROMOTIONAL ACTIVITIES

Concord grapes will only deliver a good financial return if consumers have reasons to buy Concord products. We know that Concord grape juice tastes great and is heart healthy, but there are lots of foods in the marketplace that taste great and are heart healthy. The Concord industry could move a lot of juice by putting a low price on the product, but that ruins the return. This leads us to promotion – educating the consumer that Concord’s great taste, heart health, and other benefits are worth paying a premium for.

The NY Wine & Grape Foundation has long been associated with promoting the NY wine side of the grape business. (Wines are one of the most value added grape products. A 2 quart (2 liter) bottle of purple grape juice costs \$4 at the store, but if allowed to spoil (no, “carefully ferment”), it turns into 2.5 bottles that only contain 0.75 liters and sell for \$10 each!) For the past three years, the W&G F has obtained funding through NY State to promote Concord grapes. The promotional campaign has incorporated different elements over the years:

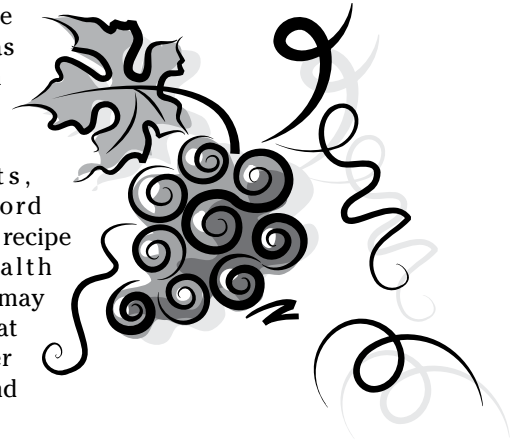
- Radio spots in major NY cities reminding people about the great taste and antioxidant benefits of Concord grapes. This has been the bulk of the dollars spent.
- Advertising in magazines such as Cooking Light, Country Living, and Food & Wine.
- Online advertising in websites appealing to women, diet, wellness, and fitness.
- A registered dietician who has made rounds of morning NY TV shows
- A web site promoting Concord grapes: www.healthyconcordgrapes.com. All of these other things tie into

the web site. The web site also has Concord recipes, in addition to health information.

- Marketing kits, including Concord banners, balloons, recipe cards, and health pamphlets. You may have seen these at Growers’ or other booths at fairs and festivals.
- A harvest tour was done, inviting health writers to learn more about the health benefits of Concord grapes. If writers know more, they are more likely to talk about our products rather than blueberries or pomegranate. That gets consumers to reach for Concord more.
- Juice tasting at the NYS Fair.
- Promotion to beverage product designers through the trade magazines they read.

The intention for our tax dollars is to come back and raise the image of Concord grape in consumer’s mind, helping them to choose a Concord product when they are shopping. Is it working? Time will tell, but we had a nice bump in our internet sales right during one of the winter radio promotions.

Steve Cockram



A GRAPE DAY!!!

The Concord Grape Belt Heritage Association achieved a major milestone in August when State Senator Cathy Young announced the award of \$1.05 million in state economic revitalization funds to the Association for the establishment of a Grape Discovery Center. The announcement was made in Moore Park in Westfield on August 13th as a highlight to the weeklong America’s Grape Country Celebration. Grower’s was a founding member of the CGBHA in 2003, and has dedicated much time and effort to the promotion of our grape growing region.

These efforts have brought considerable recognition to what we do here in the Grape Belt. The list of achievements is impressive:

- 3rd year of generic Concord Grape marketing program through NYWGF (\$300,000/yr)
- Creation of America’s Grape Country brand and advertising campaign (\$50,000/yr last two years)
- Establishment of Grape Belt as a NYS Heritage Area
- Creation of various promotional items for eventual use in Center (Tourism DVD, Grape Belt Map, photo calendar, etc.)

We have a terrific story to tell here in the Grape Belt and the new Center will allow us to tell our story to visitors and help insure the relevance of the products we produce here and the way of life we have cherished for generations.

Please take the time to thank Senator Young for her dedication to our rural region and agricultural industry. She is a fine leader and a true friend of farmers.

Sen. Catherine Young
Fenton Building
2-6 East 2nd Street, Suite 302
Jamestown, New York 14701
(716) 664-4603 • (716) 664-2430 (fax)

Also, if you are not yet a member of the CGBHA, you should be. Growers can send out membership applications upon your request.



HARVEST PREP

Even with the sampling and brix testing, all you need to do is walk out your front door in the morning, and feel the crisp air, and have the sweet smell of the Concord wash over you, and you know that the harvest is near.

In long past years when we started pressing grapes, we basically started cold. The machines had been checked over, and repairs made when needed, but hadn't been "battle tested ". Having just completed Cherry and Blueberry, most of the machinery and the people that will be operating them have been tested and are ready to go.

The seasonal employees' have been through the company orientation program to familiarize them with GMP's, chemical, food and personal safety and company rules and policies. The people that will be working with tow motors have been given formal training.

We have just about finished up installing any new equipment, and producing enough finished product for sales during harvest. Once that's completed, our main focus will be on having the plants tanks and equipment ready to go.

We'll be ready when you are. Have a good and safe harvest.

Jon Casler, Production Mgr.

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