

MONTHLY REPORT
FOR
SEPTEMBER 2009

PREPARED FOR CRANBERRY MARKETING COMMITTEE

PREPARED BY SOHN'S MARKET MAKERS

1. GENERAL MARKET SITUATION

- Korea's farm exports are expected to reach \$5 billion this year despite the worldwide economic slump, according to a Korea's senior government official in the first week of September. Agriculture Minister Chang Tae-pyong told reporters that Seoul had originally aimed to export \$5.3 billion worth of farm goods, fisheries products and processed foods, up from the record of \$4.4 billion shipped out last year. According to the minister, Seoul had intentionally tried to set tough goals, yet all estimates with a little over three months left indicate it may be hard to meet the target. Late last month, the government said outbound shipments came to \$2.43 billion in the first seven months of this year compared with \$2.46 billion a year earlier. However, it said that export volume rebounded into positive territory in June and July. Exports to countries like Japan have moved up, along with a surge in overseas demand for locally made alcoholic beverages. Korean exports usually pick up speed toward the end of the year.
- With Chuseok, known as "Korean Thanksgiving" and one of the nation's biggest gift-giving holidays, approaching next month, local food producers are expecting a boon as families open their wallets. Meanwhile, retailers are also licking their lips, developing marketing campaigns to attract consumers' holiday spending. This year, CJ Cheiljedang, the nation's leading food producer, is introducing a large number of low-budget Chuseok items because, it says, the economy hasn't fully recovered yet. According to a recent survey the company conducted, 49 percent of Koreans plan to spend between 20,000 won (\$16.38) and 50,000 won on gifts. Responding to this tightening trend, CJ has increased the number of packages it offers that cost 15,000 won to 25,000 won, including such items as cooking oil and Spam. The food producer expects to sell up to 5.8 million units, which would be a 10-percent increase on-year.
- The government will certify businesses whose green products account for more than 30 percent of their total output as "green companies," according to the government's official statement on September 30th. The government unveiled a comprehensive plan regarding accreditation of green products, technologies, and companies during a cabinet meeting. The plan is aimed at distinguishing green technologies and projects with potential, while offering tax support to people investing in accredited green technologies and projects, officials said. The establishment of a green growth law and related tax revision will get approval from the National Assembly by the end of the year. Also the projected financial support for investors will be preceded as scheduled.

According to the government's 2009 tax revision plans unveiled last month, private investors in green funds and green savings ventures can get some tax benefits. Technologies related to 10 business sectors are eligible for green certification from the government. The list of 10 green business areas includes renewable energy, emission-free technology, state-of-the-art water management systems, green IT, green vehicles and green homes. New materials, clean production technology and eco-friendly agricultural products are also included in the list, officials said. Projects that use green technologies and are designed to reduce greenhouse gas and pollutants will also earn the green title. Intelligent Transportation Systems, construction of windmills for power generation, energy-saving buildings and eco-friendly plants will also be included as green projects, officials said.

2. Industry Information

- Starbucks is one of worldwide famous coffee chains operated by Shinsegae in Korea. Starbucks is well-known for bakery products as well as coffee and they launched a new bakery item, cranberry muffin using dried cranberries. Its retail cost is 2,500 won each.

3. MEDIA COVERAGE

This month, we monitored 11 media coverages: 1 article in consumer magazines and 10 articles on internet news sites.

Category	# of Articles		Weighted Media Value	
	Sep. 09	Jan~Sep 09	Sep. 09	Jan~Sep 09
Category 1	0	4	\$0	\$18,000
Category 2	0	0	\$0	\$0
Category 3	0	4	\$0	\$14,000
Category 4	0	1	\$0	\$7,500
Category 5	11	68	\$61,000	\$298,000
Total	11	77	\$61,000	\$337,500

No	Publication	Media Type	Issue / Date	Circulation / Monthly Hits	Ad Value (USD)	Weighted Value (USD)
1	Monthly Doo	Consumer Life Style Magazine	September 2009	100,000	5,000	1,000
2	Yeonhap News	Internet News	September 2 nd 2009	2,000,000	30,000	6,000

3	Break News	Internet News	September 3 rd 2009	2,000,000	30,000	6,000
4	Korean Economy News	Internet News	September 3 rd 2009	2,000,000	30,000	6,000
5	Naeil News	Internet News	September 8 th 2009	2,000,000	30,000	6,000
6	Seoul Economy	Internet News	September 10 th 2009	2,000,000	30,000	6,000
7	Korean Economy News	Internet News	September 15 th 2009	2,000,000	30,000	6,000
8	OSEN	Internet News	September 23 rd 2009	2,000,000	30,000	6,000
9	Asian Economy	Internet News	September 30 th 2009	2,000,000	30,000	6,000
10	Herald News	Internet News	September 30 th 2009	2,000,000	30,000	6,000
11	Newsis	Internet News	September 30 th 2009	2,000,000	30,000	6,000

Publication Monthly **Doo**
 Media Type Consumer Life Style Magazine
 Clipping Type Category 5
 Issue September 2009
 Circulation 100,000
 Ad Value \$5,000
 Weighted Value \$1,000
 Content **Introducing Picnic Set Menu of Café Tamiti – Cranberry Chicken**

Publication Daily **Yeonhap News**
 Media Type Internet News
 Clipping Type Category 5
 Issue September 2, 2009
 Circulation 2,000,000
 Ad Value \$30,000
 Weighted Value \$6,000
 Content **Introducing New Product of Kolon Pharmaceuticals, Berritz and Notice Website Promotion**

<http://news.naver.com/main/read.nhn?mode=LSD&mid=sec&sid1=001&oid=098&aid=0002070205&>

Publication Daily **Break News**
Media Type Internet News
Clipping Type Category 5
Issue September 3, 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$6,000
Content **Introducing New Product of Kolon Pharmaceuticals, Berritz and Notice Website Promotion**
http://breaknews.com/sub_read.html?uid=109481§ion=sc3

Publication Daily **Korea Economy**
Media Type Internet News
Clipping Type Category 5
Issue September 3, 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$6,000
Content **Introducing New Product of Kolon Pharmaceuticals, Berritz and Notice Website Promotion**
<http://health.jknews.co.kr/article/news/20090903/6158242.htm>

Publication Daily **Naeil News**
Media Type Internet News
Clipping Type Category 5
Issue September 8, 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$6,000
Content **Tips for preventing UTI – Take cranberry juice**
http://www.naeil.com/news/Local_ViewNews_n.asp?bulyooid=2&nnum=494793

Publication Daily **Seoul Economy**
Media Type Internet News
Clipping Type Category 5
Issue September 10, 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$6,000
Content **Introducing New Product of Kolon Pharmaceuticals, Berritz and**

Notice Website Promotion

<http://economy.hankooki.com/lpage/entv/200909/e2009091018551094230.htm>

Publication Daily **Korea Economy**
Media Type Internet News
Clipping Type Category 5
Issue September 15, 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$6,000
Content **Good food for alleviating UTI**
<http://news.jknews.co.kr/article/news/20090910/8036782.htm>

Publication Daily **Asia Economy**
Media Type Internet News
Clipping Type Category 5
Issue September 30, 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$6,000
Content **Introducing New Product of Baskin Robbins, Yogurt Berry Berry - Premium Cake with Yogurt Ice Cream & Cranberry Pie**
<http://www.asiae.co.kr/news/view.htm?idxno=2009093009203096801>

Publication Daily **Herald News**
Media Type Internet News
Clipping Type Category 5
Issue September 30, 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$6,000
Content **Introducing New Product of Baskin Robbins, Yogurt Berry Berry - Premium Cake with Yogurt Ice Cream & Cranberry Pie**
http://www.heraldbiz.com/SITE/data/html_dir/2009/09/30/200909300266.asp

Publication Daily **Newsis**
Media Type Internet News
Clipping Type Category 5
Issue September 30, 2009
Circulation 2,000,000

Ad Value \$30,000

Weighted Value \$6,000

Content **Introducing New Product of Baskin Robbins, Yogurt Berry Berry - Premium Cake with Yogurt Ice Cream & Cranberry Pie**

<http://news.naver.com/main/read.nhn?mode=LSD&mid=sec&sid1=102&oid=003&aid=0002887908>

4. NEW CRANBERRY PRODUCTS IN THE MARKET

Bakery/Ice Cream/HRI

Brand	Product/Menu Name	Description	Price	Photo
Starbucks	Cranberry Muffin		W2,500	

5. WEBSITE VISITORS

Number of Page Views to www.cranberries.co.kr

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Monthly Average
1,560	2,311	2,602	2,623	4,241	4,990	11,595	308,962	32,882	41,307

6. MARKETING ACTIVITIES

Program Management/Trade Communications (M09GXKS001)

CMC Korea office (Sohn's Market Makers) made contacts with following trade to update CMC activities:

Mr. Sung-Mo Park, Manager, OBM LAB

OBM Lab is the food extract company located in Daejeon and they are trying to research new products with fruit and they are interested in dried cranberries. Mr. Park asked for the contact

address of cranberry importers and CMC Korea provided a list of importers.

Ms. So-Young Lee, President, La Cuisine

Ms. Yoon-Kyung Lee, Team Leader, Corporate Consulting Team, La Cuisine

La Cuisine is an upscale cooking academy, as well as a well-known food/menu consulting firm for corporate businesses. They recently opened a class for “sponsored class”, with a concept of receiving new ingredient samples and have classes for dishes using the samples. La Cuisine allows time for the sponsor company to present on their products during the class, and operate the feedback of class participants’ responses towards the products through La Cuisine website and the sponsors’ websites. They require no cash sponsorship, but only the product samples. As the Quality Samples just arrived at the custom and will be delivered to the office, CMC Korea made arrangements to participate in this new class with La Cuisine. It will be held on November 11th and 30 people are expected to attend. La Cuisine included the class on their monthly brochure with CMC logo.



Mr. Ju-Hyeon (Jason) Ryu, Marketing Department Manager, Dongsuh Companies Inc.

Mr. Y.J. Lee, Marketing Team Manager, Dongsuh Companies Inc.

Mr. Sung-Jung (Edward) Kim, Assistant Manager, Marketing Team, Dongsuh Companies Inc.

Dongsuh is the largest instant coffee and coffee products manufacturer/distributor in Korea, also the partner for Post, Kraft, San Benito Foods, and Richis. Dongsuh recently started a new business, which is nuts/dried fruits distribution, and CMC Korea had a meeting with them and introduced US cranberries as a possible future item. They are starting with handling dried sweet cherries and raisins as dried fruit items.

Ms. Soo-Mi Kim, Marketing Manager, G & L Foods

CMC made regular trade contacts with G & L Foods and gave updates on the marketing activity plan for the bakery promotions being arranged with Paris Croissant. CMC also provided the updates on QSP sample distribution plan.

Baking Chain Cooperative Promotion (M09GXKS004)

CMC Korea had a meeting with Paris Croissant, Mr. Jae-Beom Hong, Marketing Team for possible joint promotions for their new cranberry product. In order to better fit to their needs for a nationwide promotion throughout their some 1,800 stores, CMC also suggested possible co-sponsored promotions along with California walnuts. Paris Croissant is now reviewing the promotions scheme, and further progress will be updated. The marketing manager found out about the CMC's recent online banner event with www.naver.com and asked about the possibility of doing a similar event on the Paris Croissant website, as a way of doing the promotion, to which CMC Korea agreed would be a good idea.

7. PERFORMANCE MEASURES UPDATES

Performance Measure	2009 Goal	As of September 2009
Number of cranberry products sold through the home shopping networks	2	1*
Number of cranberry products at retail	68	114
% who have heard of cranberries	71%	N/A**
% that have eaten/drank products containing cranberries	50%	N/A**
% of consumers able to identify at least one health benefit of cranberries	5%	N/A**
% who would be willing to purchase a product containing cranberry	60%	N/A**

* Hyundai Home Shopping started to sell dried cranberries along with California walnuts.

** For the consumer PMs, informal survey will be done with at least 100 consumers during the bakery/confectionery promotions planned for 2009 marketing year.