

**MONTHLY REPORT
FOR
JANUARY 2009**

PREPARED FOR CRANBERRY MARKETING COMMITTEE

PREPARED BY SOHN'S MARKET MAKERS

1. GENERAL MARKET SITUATION

- Consumers are more pessimistic than last month that the economy will improve over the coming months. The consumer sentiment index in December tumbled to 81, down 3 points from a month ago, according to a survey by the Bank of Korea on 2,200 households. A reading below 100 reflects pessimism. The latest reading marks three straight months of declines since September and is similar to what was seen at the height of the Asian financial crisis. It comes amid a continued downturn in economic conditions compounded by shrinking wages and fears of layoffs. The feeling among Koreans regarding their present living conditions has dropped from 72 points in November to 70 this month. Hopes of gaining employment have also been hit hard with an index measuring such sentiment tumbling to 45 points this month from 96 during the first quarter of this year. Economists are predicting a vicious cycle ahead of shrinking consumer sentiment leading to decreased revenues for businesses, which in turn will cut facilities investment. The central bank forecasts facilities investments to shrink next year. Koreans also expect the value of their real estate holdings to drop in the next six months, the survey showed.
- Koreans will soon be able to evaluate the safety of the food on their tables as the government works to compile information on potentially harmful foods. The data will be made available on the internet by 2010. The system will enable consumers to check the production history of food by entering the name of the product, where it was sold, and its country of origin. The Ministry for Food, Agriculture, Forestry and Fisheries says it plans to revise related laws this year and monitor the entire process of food entering the local market. Stricter benchmarks for food safety under the World Health Organization's certification, called CODEX, will also be applied. All this information will be laid out on a new unified website. Until now, different websites separately provided information on agro-livestock and fisheries. Officials expect that the new site will protect people by informing them, and thus will avoid a repeat of previous hazardous food product situations related to melamine and malachite green.
- The purchase of snacks containing melamine and toys with heavy metal substances will be automatically blocked from cashiers at large discount stores starting next month. The Ministry of Knowledge Economy, in collaboration with the Ministry of Environment and the Korea Food and Drug Administration, announced in the 2nd week of January that it will test a new barcode system that automatically recognizes such items at a cashier. Based on results of the test-run next month, the Ministry of

Knowledge Economy plans to expand the new system to large discount stores, department stores, and convenience stores nationwide with an information distribution network beginning in the second half of this year.

- Beginning in March of this year, 90 percent of cup noodles, 65 percent of soda and 22 percent of snacks will be banned from stalls and cafeterias at elementary, middle, and high schools nationwide. The Korea Food and Drug Administration said that it will announce an enforcement decree of a special law on safe eating habits for children in January. Snack items to vanish from school cafeterias will include those packing 250 kcal or more per serving, and those high in saturated fat (4 g or higher/serving) and carbohydrates (17 g or higher/serving) and low in protein (2 g or less/serving). As for meal alternatives, items packing 500 kcal or more, over 4 g of saturated fat and 1,000 mg of sodium per serving will be banned. Through the changes, the KFDA hopes to quell the rising number of obese children, which has nearly doubled since 1997, resulting from poor and unbalanced eating habits. According to a recent survey, 8.3 and 9.5 percent of boys and girls aged between five and nine, and 17.9 and 11.4 percent of boys and girls aged 10 to 14 are obese.

2. Industry Information

- Bread Talk, a worldwide bakery chain headquartered in Singapore, launched an outlet in Seoul. Bakery Talk has a menu that includes wholemeal cranberry bread and toast containing dried cranberries. The cost of the cranberry bread is W2,500 and cranberry toast is W4,000.
- One of the biggest frozen yogurt chains, Red Mango, launched various new products and there are five new cranberry items on the menu. Cranberry yogurt latte contains cranberry concentrate and the price is W5,300. Yogurt muesli has two different flavors, plain and cranberry, and costs W4,500. A waffle mixed with berries, which contains dried cranberries in the dough, is served with cranberry sauce. The price of a waffle is W7,800. One of the most popular items in Red Mango, ice yogurt cream puff has three different flavors - plain, blueberry and cranberry. The cranberry ice yogurt cream puff is W1,500 for two.
- Haitai confectionery, one of the five biggest confectionery companies in Korea, has launched a new cranberry product, Orange Cereal Bar. It contains chiaseeds, dried cranberries, and orange flavor. The product is priced at W2,000.

3. MEDIA COVERAGE

This month, we monitored 13 media coverages: 6 articles in consumer publications, 1 article in a trade publication, 1 article in national wide news, and 5 articles in internet news.

Category	# of Articles	Ad Value	Weighted Value
Category 1	0	0	0
Category 2	0	0	0
Category 3	0	0	0
Category 4	0	0	0
Category 5	13	\$270,000	\$33,000
Total:	6	\$260,000	\$33,000

Publication: Monthly **Cookand**
 Media Type: Consumer Cooking Magazine
 Clipping Type: Category 5
 Issue: January 2009
 Circulation: 1,000,000
 Ad Value: \$10,000
 Weighted Value: \$2,000
 Content: **Introduction of the Cranberry Baguette of Bakery 'Bell of May'**



Publication
Media Type
Clipping Type
Issue
Circulation
Ad Value
Weighted Value
Content

Monthly **Jubu Life**
Consumer Life Style Magazine
Category 5
January 2009
1,000,000
\$10,000
\$2,000
Recipe Recommendation – Banana & Cranberry Sandwich



Publication
Media Type
Clipping Type
Issue
Circulation
Ad Value
Weighted Value
Content

Monthly **Yeosung Chosun**
Consumer Life Style Magazine
Category 5
January 2009
1,000,000
\$10,000
\$2,000
Cranberry Image



Publication	Monthly Yeosung Chosun
Media Type	Consumer Life Style Magazine
Clipping Type	Category 5
Issue	January 2009
Circulation	1,000,000
Ad Value	\$10,000
Weighted Value	\$2,000
Content	Recipe Recommendation – Red Tea Tropical



Publication	Monthly Yeosung Chosun
Media Type	Consumer Life Style Magazine
Clipping Type	Category 5
Issue	January 2009
Circulation	1,000,000
Ad Value	\$10,000
Weighted Value	\$2,000
Content	Recipe Recommendation – Lady Berry



Publication **Monthly Lady KyungHyang**
 Media Type Consumer Life Style Magazine
 Clipping Type Category 5
 Issue January 2009
 Circulation 2,000,000
 Ad Value \$30,000
 Weighted Value \$3,000
 Content **UTI and Cranberry Juice is good for preventing UTI**
<http://lady.khan.co.kr/khlady.html?mode=view&code=10&artid=12035&pt=vn>

Publication **Monthly Food Industry**
 Media Type Trade Industry Magazine
 Clipping Type Category 5
 Issue January 2009
 Circulation 1,000,000
 Ad Value \$10,000
 Weighted Value \$2,000
 Content **Introducing US Marin University Study about Cranberries Preventing E.coli Bacteria**



Publication **KBS News**
 Media Type National Wide News
 Clipping Type Category 5
 Issue January 2009
 Circulation 2,000,000
 Ad Value \$30,000
 Weighted Value \$3,000

Content **Introducing Cranberry Pizza**
<http://news.kbs.co.kr/article/culture/200902/20090202/1714649.html>

Publication **Naver News**
Media Type Internet News
Clipping Type Category 5
Issue January 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$3,000

Content **Bennigans Promotion – Set Menu including Orange Cranberry**
http://www.bennigans.co.kr/service/event_view.asp?event_idx=1&event_seq=112

Publication **Daily PD Journal**
Media Type Internet News
Clipping Type Category 5
Issue January 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$3,000

Content **TV Program Recommendation – MBC Worldwide Health Document about Kidney and Lungs (mentioned cranberry for healthy kidney)**
<http://www.pdjournal.com/news/articleView.html?idxno=20330>

Publication **Daily ACROFAN**
Media Type Internet News
Clipping Type Category 5
Issue January 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$3,000

Content **Introducing New Product – AGX which contains cranberries**
<http://www.acrofan.com/ko-kr/consumer/news/20090115/00000003>

Publication **Naver.com**
Media Type Internet Site
Clipping Type Category 5
Issue January 2009
Circulation 2,000,000
Ad Value \$30,000
Weighted Value \$3,000

Content

Introducing Thesis

- US Functional Foods: Blueberry and Cranberry

http://academic.naver.com/view.nhn?doc_id=12877628

Publication

Naver.com

Media Type

Internet Site

Clipping Type

Category 5

Issue

January 2009

Circulation

2,000,000

Ad Value

\$30,000

Weighted Value

\$3,000



Content

Advertisement – Orion Cranberry Cereal Snack


<http://video.naver.com/2008091221082401390>

4. NEW CRANBERRY PRODUCTS IN THE MARKET

Bakery/Ice Cream/HRI

Brand	Product/Menu Name	Description	Price	Photo
Bread Talk	Wholemeal Cranberry	French style bread with dried cranberries	W2,500	
Bread Talk	Cranberry Toast	Bread with dried cranberries	W4,000	

Red Mango	Premium Yogurt Shaved Ice	Saved Ice with frozen yogurt, boiled red beans and fruit including dried cranberries	(M) W8,700 (L) W10,800	
Red Mango	Cranberry Yogurt Latte	Frozen Yogurt with milk and cranberry concentrate juice	W5,300	
Red Mango	Yogurt Muesli	Mixed with frozen yogurt, shaved ice, milk, muesli and fruit including dried cranberries	W4,500	
Red Mango	Waffle	Dried cranberries are used for waffle dough and the waffle served with cranberry sauce	W 7,800	
Red Mango	Ice Yogurt Cream Puff	Puff filled with frozen yogurt with dried cranberries	W1,500 for two	

Haitai	Orange Cereal Bar	Cereal bar with chiaseeds, orange flavor and dried cranberries	W2,000	
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5. MARKETING ACTIVITIES

Program Management/Trade Communications (M08GXSK001)

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

Seoul Food / Mr. Jae-Sung Lee, R & D Team Leader

Seoul Food is wholesale bread manufacturer. Seoul Food showed interest in dried cranberries and asked for the contact addresses of cranberry importers. CMC Korea provided the list of importers.

Crown Confectionery / Mr. Seok-Ho Yoon, R & D Team Leader

Crown Confectionery is one of the five biggest confectionery manufacturers in Korea. Crown showed interest in dried cranberries and asked for the contact addresses of cranberry importers. CMC Korea provided the list of importers. Crown mentioned that they are working on developing cranberry products.

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

CMC Korea provided 5,000 copies of consumer leaflets that were recently made for their consumer activities.

Shinsegae Food / Mr. Won-Min Yoo, Manager

CMC Korea provided 5,000 copies of consumer leaflets that were recently made for their consumer activities.

Darim Nutsvill / Mr. Han-Kyu Yoo, President

Darim Nutsvill is the leading California walnut importer/distributor, and supplies directly to NS Home Shopping, one of the major 5 nationwide TV Home Shopping channels. As a means of promotion for Darim's California walnut program, he requested possible cooperation in having cranberry-contained commercial products as special gifts to their walnut sets, under the condition of presenting "cranberry" in general to a certain degree. CMC Korea contacted several confectionery companies that recently launched cranberry products (Orion and

Nongshim Kellog) for possible promotion, and is now waiting for their responses.

Consumer Media Relations (M08GXSK003)

CMC Korea completed consumer leaflets to be distributed alongside cranberry juice and dried cranberry products on the shelves of selected retail stores. These leaflets will be used for bakery promotions which are planned to be held in 2009. The leaflets are 3-fold and full colored.

6. PERFORMANCE MEASURES UPDATES

Performance Measure	2009 Goal	As of January 2009
Number of cranberry products sold through the home shopping networks	2	0*
Number of cranberry products at retail	68	96
% 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

* No TV home shopping is selling cranberry products, but 2 of their internet shops are selling dried cranberries (NS Home Shopping online and Hyundai Home Shopping online).

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