



Bits & Pieces

Exterior of New Plant Complete; Wastewater Facility Under Construction

Graceland Fruit's plant expansion is progressing smoothly, and the exterior of the building has been completed, reported Vice President of Operations Doug Plumstead.

"Now we're having lighting, fire protection and electrical installed in the building," Plumstead said. "The dry warehouse portion of the plant should be operational by the end of the year."

The facility, specifically designed to treat wastewater that includes fruit byproducts, consists of two stages, first the waste goes through an anaerobic reactor, followed by



an aerobic treatment.

Assuming construction remains on track, the facility should be operational February 1, according to Plumstead.

Currently, a lot of the construction focus is on building and activating Graceland's new wastewater treatment facility. "This will give us the opportunity to grow and build our capacity in the future," Plumstead revealed.

Graceland Receives Innovation Grant

The Michigan Department of Agriculture has rewarded Graceland Fruit's commitment to growth by awarding the company \$225,000 for facility improvements through the department's Agricultural Innovation Fund.

"This grant will allow us to install a newly designed, proprietary juice extraction system to help us keep up with our customers' demand for extraordinary quality concentrates," revealed Chief Operating Officer Steve Nugent. "In addition to helping us meet our customers' needs, this grant will have a positive impact on

our community and our growers, and it demonstrates Michigan's commitment to invest in value-added agriculture.

"We expect to hire additional employees when the new system is in place, and estimate the impact on Michigan's agricultural industry may exceed \$2 million in the first full year of operation," he explained.

Graceland's current extraction system produces cranberry concentrate, and the new system will allow the company to expand its fruit concentrate capacity when it comes online in 2007.

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A Newsletter from
**GRACELAND
FRUIT, INC.**



flavor focus

Tart Cherries

Tart cherries were the first products produced by Graceland Fruit, and today they remain one of the most popular products the company offers.

Recent studies showing the positive impact of tart cherries on health has spurred increased demand for the flavorful fruit.

Researchers have found tart cherries to have a high level of cancer-fighting antioxidants. Other studies show the anthocyanin pigments in tart cherries that contribute to their red color also block the enzymes that cause inflammation.

Tart cherries continue to grow in popularity and are increasingly found in cereals, rice mixes, baking mixes, ice creams and sorbets, snack bars and more.

Graceland offers a wide variety of tart cherry products, including:

- Infused dried whole and julienne sliced
- Infused dried organic
- Infused dried unsweetened
- Infused dried chocolate covered
- Soft-N-Frozen® stabilized

To learn more about Graceland's extraordinary tart cherry ingredients, contact Graceland's sales department at (800) 352-7181, or (231) 352-7181.

President's Message

*Don Nugent
President & CEO*



Happy Holidays from northern Michigan!

Over the past year, Graceland has enjoyed significant growth as sales have continued to increase at a record setting pace. It has also been a year of accomplishment – our plant expansion and the new wastewater facility are well underway. Our first juice extractor began full operation this past summer, and a second extractor will be coming online in 2007.

We are also looking forward to completing the new dryer, which will significantly increase capacity. Our continuing efforts to improve production and capacity reflect our commitment to better meet our customer's growing demands for extraordinary fruit and vegetable ingredients.

As our success has grown, more and more competitors have entered the market, but none offer our strong commitment to quality in color, texture and water activity; innovation in product development; and the capacity and dependability that is synonymous with the Graceland name.

Graceland Fruit remains dedicated to our mission of "Creating Opportunities through Extraordinary Food Ingredients."

All of us at Graceland thank you for your interest in our growing company and wish you a Happy Holiday season, and a safe, healthy and prosperous New Year.



Local Boy Designs Graceland Card



More than 200 third – fifth graders in Benzie County, MI, competed to have their design chosen to be Graceland Fruit's Christmas card this year.

The winner was fifth grader Ismael Halaweh, who is a student in Mr. Milne's class at Crystal Lake Elementary School.

"We wanted the children to understand what we do and how it impacts the local economy," explained Graceland Marketing and Public Relations Manager Suzi Mills.

Students learned about Graceland

during art class, then were given the assignment to create a Christmas card with the theme "Have a Cheery, Cherry Holiday!" The guidelines also asked children to illustrate Graceland's international

markets and its top product - cherries. "Ismael did such a great job," said Graceland CEO Don Nugent.

"He even had our theme translated into several languages! I was impressed with his effort."



Don Nugent, left, congratulates Ismael Halaweh, with art teacher Jamie Vanderlinde.



Higgins & White Named Top Brokers

Bill White and Mike Cronin of Higgins & White in Brookfield, IL, were awarded Graceland Fruit's coveted Broker of the Year distinction last summer.

"Bill and Mike were our top performers this year, and we're glad our relationship with Higgins & White continues to grow," revealed Graceland Chief Operating Officer Steve Nugent. Cronin attributes his company's success with the unique way it is marketing Graceland's products.



Don and Steve Nugent (left) and Derek Klein (right) present the broker of the year award to Michael Cronin and Bill White (center).

"We have three food scientists who spend a lot of time in the lab developing products such as cereal, bakery items, bars/snacks and rebagging. This allows us to do some of the development work for our customers and present them with some finished ideas," Cronin explained.

White added that their strategy "takes us out of the commodity business and helps us build long-term relationships."

Graceland's infused dried cherries and blueberries are currently Higgins & White's hottest sellers, but their food scientists are working on some ideas for Graceland's new vegetable ingredients, and the team hopes to close some vegetable sales in 2007.

Both White and Cronin attribute their success to a collaborative relationship with CEO Don Nugent and Vice President of Research Nirmal Sinha. "We couldn't do what we do without their support," Cronin said.





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**Happy
Holidays!**

Dried Cherry Cinnamon Swirl Bread

6.5 - 7 C Bread Flour
1/4 C Sugar
2 Tsp. Salt
2 Pkgs. (1/4 oz. ea.) Active Dry Yeast
2 C Milk
1/4 C Butter
3 Eggs
2 C Graceland Dried Cherries
3 Tbsp. Melted Butter
1/2 C Sugar
2 Tsp. Ground Cinnamon
1 Egg
1/4 Tsp. Salt

In a large bowl, combine 3 cups flour, sugar, salt and yeast. Heat milk and butter to 120°. Add to flour mixture; beat 2 minutes. Add eggs and 1 cup flour. Beat at high speed 2 minutes. Stir in enough remaining flour to make a stiff dough. On a floured surface knead cherries into dough and continue kneading for 5 minutes. Let rise until double, about 1 hour. Punch dough down; divide in half. Roll each half into a 15x8-inch rectangle. Brush with 1 tablespoon melted butter. Combine sugar and cinnamon; sprinkle each rectangle with one-half of the cinnamon-sugar mixture. Beginning with narrow end, roll up jelly roll style, sealing edge and ends. Place sealed edges down in 2 greased 9x5x3-inch loaf pans. Cover; let rise until doubled, about 45 minutes. Combine egg and salt; brush on surface of bread. Bake at 375° 35 to 40 minutes or until done. Remove from pans; cool on wire rack. Yield: 2 loaves