



August 2023 Cranberry News

CRANBERRY MARKETING COMMITTEE HEADS WEST FOR ANNUAL SUMMER MEETING

CMC hosted 40 attendees for its annual summer meeting August 14 and 15, 2023, in Gleneden Beach, Oregon.

Monday’s all-day meeting contained updates on a variety of topics covered in more depth in meeting book materials, all of which can be accessed via CMC’s website: www.uscranberries.com.

Kimberly Keller was introduced as CMC’s public member. She hails from Minnesota, lives in San Diego and has 20 years’ experience in marketing in a variety of industries and companies including 3M, Cargill, Johnsonville Sausage and Pharmavite.

The Committee was informed that the American Cranberry Growers Association (New Jersey) celebrated 150 years in the spring. The Cape Cod Cranberry Growers Association has applied for a grant to build a new cranberry education facility. Wisconsin State Cranberry Growers Association longtime executive director Tom Lochner is retiring July 2024.

Danny Raulerson presented the CY22 third quarter production and sales figures (pg. 7). The Committee also went through its process of estimating CY23 U.S. production, which is expected to total 8,165,000 bbls. See page 2 for the full 2023-2024 Marketing Policy.

Karen Cahill presented an update on domestic marketing activities since the February meeting (pg. 6).

Representatives from BCI presented updates on international marketing (pg. 5), trade policy, and MRL issues (pg. 3).

There was discussion regarding having a subcommittee look at potential changes to the Marketing Order, but it was ultimately decided it would be best to wait until after the results of the referendum were in.

Tuesday’s half-day meeting consisted of a health research presentation from Professor John Cryan. Cryan is chair of the department of anatomy and neuroscience at University College Cork, Ireland and is also a principal investigator at the APC

Microbiome Institute. Prof. Cryan has published more than 600 peer-reviewed articles and book chapters. He is a senior editor of *Neuropharmacology and of Neurobiology of Stress* and on the editorial board of a further 15 journals. He has co-edited four books and is co-author of the bestselling “The Psychobiotic Revolution: Mood, Food, and the New Science of the Gut-Brain Connection” (National Geographic Press, 2017). He has received numerous awards including UCC Researcher of the Year in 2012, the University of Utrecht Award for Excellence in Pharmaceutical Research in 2013, UCC Research Communicator of the Year 2017, and the Datta Prize from FASEB in 2022.

Committee members received the results of the referendum vote (pg. 8) minutes before adjourning the meeting and were asked not to discuss the matter publicly until a posted was made to the USDA website.

View and download annual summer meeting materials by visiting www.uscranberries.com and scrolling down to Web Resources



CRANBERRY MARKETING COMMITTEE 2023 CROP YEAR ESTIMATE

2023 Domestic Cranberry Production Estimate Updated 8/14/2023

	1,000 barrels
Massachusetts	1,949
New Jersey	561
Wisconsin	4,967
Oregon	520
Washington	168
2022 Domestic Production Estimate	8,165

2023 Crop Year Marketing Policy (9/01/2023 - 8/31/2024) Updated 8/14/2023

	1,000 Barrels	
1	Estimated Carry-In	3,968
	<i>Production & Acquired</i>	
2	Estimated Domestic Production	8,165
3	Estimated Foreign Acquired	2,195
4	Total Production & Acquisitions (2+3)	10,359
5	Available Supply (1+4)	14,327
	<i>Estimated Shrinkage</i>	
6	2% of Carry-in (1)	78
7	4% Estimated Production/Acquisitions (4)	414
8	Estimated Shrinkage (6+7)	494
9	Adjusted Supply (5-8)	13,833
	<i>Sales & Usage</i>	
10	Fresh Fruit Sales	306
11	Processing Fruit Usage	8,669
12	Total Sales/Usage (10+11)	8,975
13	Estimated Adjusted Carry-Over	4,858
14	Inventory as a % of sales	51%

→ From 'Total Available Supply and Sales', may be adjusted based on Committee input

→ From Committee estimates

→ From Committee estimates

→ Sum of Estimated Domestic Production and Estimated Foreign Acquired

→ Sum of Total Production & Acquisitions and Estimated Carry-in

→ 2% of Estimated Carry-In

→ 4% of Total Production & Acquisitions

→ Sum of Estimated Carry-in Shrinkage and Estimated Total Production & Acquisitions

→ Estimated Shrinkage deducted from Available Supply

→ From Committee estimates

→ From Committee estimates

→ Sum of Fresh Fruit Sales and Processing Fruit Usage

→ Total Sales/Usage deducted from Adjusted Supply

OBJECTIONS TO FROZEN CRANBERRY DUTY SUSPENSION

Prospects for the renewal of the European Union duty suspension for frozen cranberries are not favorable with objections raised by both the European Commission and Spain.

Unless circumstances change, the EU duty suspension on frozen cranberries will expire at the end of the year. This will mean the re-application of the EU's Most Favored Nation tariff for frozen cranberries of 14.4% on January 1, 2024.

Looking ahead, the developments with respect to the frozen cranberry duty suspension underscore the importance of continued tariff monitoring efforts in the European Union. This is particularly the case in the coming years, with the EU duty suspension for cranberry concentrate up for renewal next year (2024). The EU duty suspension for SDCs is up for renewal in 2027. It remains to be seen how the EU's trade agreement and purported Spanish production will impact these duty suspension reviews.

MANCOZEB USE IN THE EUROPEAN UNION UPDATE

Mancozeb use in the EU is no longer possible; however, the EU MRL on cranberries remains in place. The European Food Safety Authority (EFSA) launched mancozeb's MRL review in 2020 and its final scientific assessment was published in May. Mancozeb was reviewed together with other dithiocarbamate substances, such as metiram, ziram, and maneb as they share the same residue definition. For this reason, the publication of this assessment has been delayed multiple times.

In the current assessment, EFSA lists two possible MRLs for cranberries at 5 ppm or 2 ppm, based on different residue definitions. However, a footnote highlights that this tentative MRL is based on a Codex MRL, which is not fully supported by data and that the Codex MRLs were not recently reviewed. In addition, EFSA also highlights that the metabolite "ETU" is classified as toxic for reproduction category 1B and meets the endocrine disruptor criteria for humans. Therefore, EFSA suggests further consideration by the EU Commission.

While the scientific assessment was able to derive MRLs based on Codex, it suggests that the European Commission takes into consideration the potential health concerns identified with a metabolite when drafting a new MRL regulation. The EU Commission will present a draft regulation for discussion in its Residues committee. The next meeting is scheduled for September 18-19.

Download MRL and Trade Policy reports at uscranberries.com > Web Resources > Annual Meeting Materials

CANADA PROPOSES REQUIREMENTS FOR REDUCTION OF PRIMARY FOOD PACKAGING

Canada is proposing requirements for large grocery retailers (those with sales of CAN \$4 billion + annually) to prepare and implement a pollution prevention plan with measures to move toward zero plastic waste from primary food plastic packaging. The goal is to reduce the amount of primary food plastic packaging in store and the broader value chain.

Summary of Requirements:

- The proposal requires large retailers to prepare and implement a pollution prevent ("P2") plan at the parent company level, which would be applicable throughout the business and subsidiaries. The P2 plan will address retailer progress against defined primary plastics reduction objectives/metrics (see below).
- Retailers will be required to submit declarations and report out annually to the Canadian Government on progress against the reduction objectives. The Canadian Government will publish summary progress reports publicly on retailer compliance. Enforcement actions will be considered if retailers fail to prepare or report on their P2 plan.
- Although the responsibility would fall on large grocery retailers to prepare, implement, and report on their P2 plan, the expectation is that companies along the value chain (food retailers, producers, and brands) will support efforts to meet the objectives set out in the P2 Notice to reduce primary food plastic packaging.
- The measures relate to primary food packaging, defined as packaging designed to come into direct contact with the product. This includes clamshells, foods packaged in bags,

pouches, and multi-layer wrap.

- Both direct-to-consumer primary plastic food packaging and business-to-business packaging in contact with food will be targeted. (e.g. a supplier/distributor selling a product to a retailer.)

Objectives/Metrics for the P2 Plan

- Canada has set the following objectives for retailers to plan and report against in P2 plans. Again, these objectives will have implications across the value chain, including for suppliers.
- To eliminate problematic or unnecessary packaging and design for circularity by 2035.
- Fresh fruits and vegetables distributed and sold in bulk and/or in plastic-free packaging: 75% by 2026, 95% by 2028.
- All primary food plastic packaging is reusable, recyclable, or compostable (100% by 2028)
- Increase sale of products designed for reuse-refill systems and without plastic packaging: 20% by 2026; 50% by 2030; 60% by 2035. (NB: Sales includes non-food items)
- For non-usable packaging, increase percentage of post-consumer recycled content: 10% by 2028; 20% by 2030; 30% by 2035.

Timeline

- Retailers will be required to prepare and begin implementing their P2 Plan within 12 months of the Final Notice being published.
- Retailers will be required to finish implementation of P2 Plan measures by December 1, 2035.

COMMITTEE MEMBERS

August 1, 2022 - July 31, 2024

DISTRICT 1 (MA, RI, CT)

Major Cooperative

Adrienne Mollor (Member)

Brad Morse (Member)

Jill Ward (Alternate)

Other Than Major Cooperative

James Rezendes (Member)

Patrick Rhodes (Member)

Dawn Gates-Allen (Alternate)

DISTRICT 2 (NJ)

Major Cooperative

John "Mike" Haines (Member)

Jeff Whalen (Alternate)

Other Than Major Cooperative

William Poinsett (Member)

Thomas Gerber (Alternate)

DISTRICT 3 (WI, MI, MN)

Major Cooperative

Jill Amundson (Member)

David Bartling (Member)

Mike Gnewikow (Alternate)

Other Than Major Cooperative

Suzanne Arendt (Member)

Trevor Gardner (Member)

Wayne "Butch" Gardner (Alternate)

DISTRICT 4 (OR, WA)

Major Cooperative

Jack Stein (Member)

Kevin Hatton (Alternate)

Other Than Major Cooperative

Nicholas Puhl (Member)

AT-LARGE

Celina Li (Member)

PUBLIC

Kimberly Keller (Member)

Steven White, DBA (Alternate)

CMC OFFICE STAFF

Danny Raulerson, *Executive Director*

Karen Cahill, *Marketing Director*

Dotty Pipher, *Senior Executive Assistant*



**WISCONSIN STATE
CRANBERRY
GROWERS**
— Association —

WSCGA EXECUTIVE DIRECTOR RETIRING JULY 2024

It was announced at CMC's annual summer meeting that longtime Wisconsin State Cranberry Growers Association Executive Director Tom Lochner will be retiring next summer. Lochner has been at the helm of WSCGA since July of 1989. In that time he has been a staunch advocate for the cranberry industry in Wisconsin and beyond.

CMC would like to thank Tom for his many years of unwavering service and his countless contributions to the industry. Please join the Committee and staff in wishing Tom well as he enters this next exciting chapter of his life.



CONGRATULATIONS, ACGA ON 150 YEAR ANNIVERSARY

CMC would like to congratulate the American Cranberry Growers Association on 150 years of support of and contributions to the cranberry industry. The organization celebrated the occasion with a reception in March.

As the nation's oldest cranberry growers' association, ACGA has a long history of supporting the cranberry industry in New Jersey and beyond. They continue this legacy in part by gathering growers twice a year to update them on innovations and issues affecting the industry, providing funds and other support to cranberry researchers, and educating the public at various fairs and festivals in the area (particularly the Chatsworth Cranberry Festival, held the third full weekend of each October).

The mission of ACGA is to preserve and enhance the vitality of the cranberry industry, to provide leadership for the cranberry industry on environmental issues, to encourage and coordinate appropriate research to advance cranberry cultivation, and to identify and resolve issues which are important to cranberry growers. Throughout the year, they engage in educational, social, promotional, and philanthropic activities to achieve these goals.

INTERNATIONAL MARKETING PROGRAM UPDATE & RESULTS FROM ACROSS THE GLOBE

For more than 20 years, CMC has conducted generic international market development activities to support increased exports of U.S. cranberry products. Funding for CMC's international program is provided primarily through the USDA Foreign Agricultural Service's export market development grant programs. Over the years, CMC has conducted formal generic promotional programs in: Australia, Europe, South America and Asia. In 2023, efforts are concentrated in: India, China, Brazil, Colombia, Malaysia and Singapore.

China has been a target market for CMC since 2013 and has become one of the largest export markets for U.S. cranberry products. Since the start of the marketing program in the country, exports have grown quickly, and total more than \$50 million in 2022-23. This growth has occurred despite numerous challenges faced by the industry in China in recent years, including rigorous health claim laws, COVID-19 lockdowns, U.S.-China political tensions, and a difficult tariff and regulatory environment. In recognition of these challenges, as well as feedback from handlers and slowing export growth, funding for China marketing activities was significantly scaled down in 2023. The China budget was reduced from \$2 million to \$1.16 million, which allows for the full funding of programs in South America and Southeast Asia. Even so, CMC's programming in China remains robust, and targets consumers and trade with high-impact activities designed to increase awareness of the taste, versatility, and health benefits of U.S. cranberry products.

Activities in China in 2023 have so far included participation at major trade shows, restaurant and bakery collaborations, health education and promotion, as well as social media campaigns. In the second half of the year, CMC will partner with the Chinese Nutrition Society to conduct a series of educational seminars for health professionals focused on the health benefits of U.S. cranberry products. Additional retail partnerships are also planned with Ole, Parkson, Jenny Wang, and Lyfen. Consumer engagement will also be supported through robust online and social media activations on leading channels such as WeChat and Weibo.

Meanwhile, in India, 2023 marks

the industry's sixth year of market development efforts in the country. Though volume shipped is relatively small compared to long-standing export markets, demand for U.S. cranberry products is increasing amongst both trade and consumers. Programming in 2023 kicked off with CMC's first ever participation in the Gulfood trade show in Dubai. Though the show is in the United Arab Emirates, it was highly recommended by CMC's India representative because the show is well attended by important trade from India. To further engage with key Indian trade members, CMC hosted a networking reception the first night of the exhibition. Altogether, the show was highly successful, with one new importer purchasing U.S. cranberries for the first time.

Looking ahead, in the interest of making further inroads into the Indian market, CMC will expand its partnership with Indian manufacturers to launch and promote traditional snacks/sweetmeats that feature cranberries. Additionally, restaurant and bakery collaborations in the latter half of the year will further facilitate the integration of cranberry dishes and baked goods as regular menu items. During the busy holiday period, retail and point-of-sale promotions across major metropolises will also drive awareness of the availability of U.S. cranberry products, as well as impulse purchases. Finally, consumer public relations activities, including online and traditional media engagement, will highlight the health and versatility of U.S. cranberries.

In the interest of developing new markets for U.S. cranberry products, activities were initiated in South America (Brazil and Colombia) and Southeast Asia (Singapore and Malaysia) in the second half of 2022. As such, 2023 marks the first full year of activities in these regions. In the first half of the year, CMC has been focusing on building upon the strong foundation set in 2022 by developing new relationships with trade partners in the regions, and further refining program activities to meet the needs of these dynamic markets. CMC will continue to employ a two-pronged approach targeting trade and consumers, with the goal of building broad trade and consumer awareness of U.S. cranberry

products and their unique characteristics. Key activities will include trade show exhibitions, social media engagements, technical education seminars, retail and e-commerce promotions, among others.



Download the full summer meeting International Marketing reports at uscranberries.com > Web Resources > Annual Meeting Materials

CROP YEAR 2022 DOMESTIC MARKETING PARTNERSHIPS PROGRAM UPDATE & RESULTS

RD & Consumer Surveys

Phase two of a registered dietitian partnership was a March 2023 survey of the Food & Culinary Professionals subset of the Academy of Nutrition and Dietetics, yielding similar results as phase one. A majority of respondents are aware that CMC offers resources for health professionals, consumers, retail and foodservice, but not specifically “kid-focused”. Ninety-nine percent of respondents believe CMC’s educational materials to be credible, but there is room for improvement in terms of CMC’s social media interaction with RDs. Finally, a majority of respondents were familiar with the main health research findings in the areas of cranberry related to cognition, inflammation, and cardiovascular health.

At its August 2021 meeting, the Committee approved funding for two consumer surveys and in December 2022 approved the recommendation of staff and its RFP subcommittee to contract with Perksy and The Center for Food Integrity. In March, via Perksy’s proprietary platform that provides real-time, hyper-local, hyper-targeted consumer insights from their network of opted-in consumers, CMC fielded a mix of quantitative and qualitative research to understand the attitudes, trends, and behaviors with regards to cranberry consumption. Highlights include:

- Taste is the most important factor when it comes to continued consumption of cranberries, followed closely by health benefits.
- When choosing food items, taste/ flavor and health/wellness are the most important consideration factors.
- When it comes to different

cranberry attributes, current consumers differ from lapsed consumers. For the former, taste and quality are the top deciding factors, whereas for the latter, brand/producer is the most important attribute.

- Lapsed users stopped consuming cranberries mainly because they no longer like the taste.

In February, The Center for Food Integrity produced an ethnographic report for CMC focusing on cranberry food and drink. This included questions about fresh and frozen cranberries as well as processed products (juice, dried and sauce). Using social anthropology and proprietary software, CFI explored the questions in real time by reviewing thousands of online conversations. Highlights include:

- Health benefits are top of mind but have competition as other fruits also offer health benefits.
- The natural color of cranberries is a huge benefit. Consumers don’t like artificial dyes in their food and cranberries do not stain countertops like beet juice.
- Beverages are the largest microculture; and consumers think they (berries and juice) play a critical role in cocktails and mocktails, which are experiencing a growing level of interest.
- Consumers are looking to incorporate cranberries into everyday food year-round – reimagining sauce.

Retail Partnerships

CMC’s partnership with Kroger, an American retail company that operates supermarkets and multi-department stores throughout the United States, launched November 15, 2022. The program

consisted of a demand-side platform display ad with the goal of driving sales for U.S. cranberry products through December 8. Eighty products from five different handlers were featured on the display ad landing page.

The display ad had strong engagement with a click-through rate (0.16%) exceeding the sub dept median (0.09%) for this channel. Sales totaled \$1,282,569 for a return on ad spend of 51.3x, which is above the sub dept median of 19.07x for the channel. Participating products saw a sales lift of \$26,126 (2.08% uplift vs. a 0.39% benchmark) as a direct result of the display ad. This was driven by uplift in household penetration (3.28% uplift vs. a 1.59% benchmark) followed by visits (2.95% uplift vs. a 0.77% benchmark). Sixty-eight new households and 134,917 existing households purchased the promoted products at least once during the campaign.

Given the success of this program, the Committee conducted a second 4-week partnership in July 2023 with results expected to be reported at the February 2024 meeting.

CMC executed an 18-week display ad campaign from February 20 through July 9, 2023 that generated 9,379,632 impressions, totaled \$167,430.82 in sales (\$2.79 return on ad spend) and resulted in 25,596 units sold. Finally, 1,373 of the purchases were from new-to-brand shoppers who had not purchased these cranberry products in the previous year. An additional 34,629 purchases totaling \$281,958.22 were made by consumers who had viewed this display ad – these purchases were other cranberry products that were not part of our promotion, but would fall under the “halo effect” of the program.



FIVE-YEAR COMPARISON REPORT: THIRD QUARTER NUMBERS INCLUDING CY2022

CY2022 third quarter summary reports, as well as several comparison reports, can be found by clicking “Data and Reports” under the “Industry” menu on www.uscranberries.com. The chart below represents data from September 1 to July 30 of each crop year. A few general observations comparing the 2021 vs. 2022 Crop Years are as follows:

- Foreign Acquired increased 18.7% (334,671 bbls)
- Domestic Sales decreased 1% (61,251 bbls)
- Foreign sales decreased 6.3% (160,832 bbls)
- Total Sales decreased 2.6% (222,083)
- Ending Inventory increased 20.2% (2,318 bbls)

	2018	2019	2020	2021	2022
Beginning Inventory					
Barrels Unfrozen:	0	0	0	0	0
Barrels in Freezers:	2,281,453	2,484,365	1,726,311	1,797,297	1,350,307
Barrels in Process Form:	2,016,816	1,671,832	1,020,448	957,262	688,093
Barrels in Concentrate Form:	2,586,624	1,780,092	2,017,370	1,608,651	1,064,869
Inventory Before Adjustments:	6,884,893	5,936,289	4,764,129	4,363,210	3,103,269
Adjustments:	-267	5,821	-6,094	71,352	351,474
Adjusted Beginning Inventory:	6,884,626	5,942,110	4,758,035	4,434,562	3,454,743
Sources					
Massachusetts, Rhode Island, Connecticut:	2,237,243	2,015,713	1,876,891	1,586,555	1,989,251
New Jersey:	447,592	447,723	513,801	570,315	544,048
Oregon:	544,464	515,038	546,251	488,030	386,231
Washington:	180,778	141,863	185,686	157,499	161,196
Wisconsin, Michigan, Minnesota:	5,271,545	4,485,133	4,609,882	3,901,659	4,797,703
Other states:	0	0	0	0	0
Total Domestic Acquired:	8,681,622	7,605,470	7,732,511	6,704,058	7,878,429
Foreign Acquired - Fresh:	76,013	75,156	41,704	53,470	167,583
Foreign Acquired - Processed:	1,877,252	1,368,298	1,861,576	1,643,645	1,848,454
Foreign Acquired - Concentrate:	12,635	50,491	10,317	87,470	103,219
Total Barrels Acquired:	10,647,522	9,099,415	9,646,108	8,488,643	9,997,685
Barrels in Transit:	29,976	135,746	136,425	82,194	39,691
Sales					
Domestic Sales - Fresh:	281,317	281,392	285,814	220,989	268,942
Domestic Sales - Processed:	4,469,075	4,992,036	4,953,328	4,631,392	4,763,233
Domestic Sales - Concentrate:	910,371	892,132	878,289	913,113	690,790
Sold to Government:	105,973	42,908	41,403	38,382	19,660
Total Domestic Sales:	5,766,736	6,208,468	6,158,834	5,803,876	5,742,625
Foreign Sales Fresh:	47,304	49,572	42,788	28,931	37,545
Foreign Sales Processed:	2,574,651	2,138,604	1,528,179	1,659,686	1,809,175
Foreign Sales Concentrate:	389,649	586,660	785,019	857,309	538,374
Total Sales:	8,778,340	8,983,304	8,514,820	8,349,802	8,127,719
Shrinkage:	1,016,667	132,077	262,014	148,729	-54,786
Total Sales & Shrinkage:	9,795,007	9,115,381	8,776,834	8,498,531	8,072,933
Ending Inventory					
Barrels Unfrozen:	0	0	0	0	8,644
Barrels in Freezers:	3,978,331	2,819,366	3,133,572	2,564,434	3,189,101
Barrels in Process Form:	1,766,570	1,049,880	865,033	705,251	720,151
Barrels in Concentrate Form:	2,022,216	2,192,644	1,765,129	1,237,183	1,501,290
Total Barrels in Inventory:	7,767,117	6,061,890	5,763,734	4,506,868	5,419,186



2527 Cranberry Highway
Building B
Wareham, MA 02571

Return Service Requested

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August 2023

Cranberry News

GROWERS FAVOR TERMINATION IN LATEST REFERENDUM VOTE

USDA announced August 16, 2023 that producers voting in a referendum on the federal marketing order for cranberries did not show enough support to continue the program.

The marketing order requires that USDA conduct the referendum on the marketing order every four years. The marketing order was favored by 26.5% of cranberry growers voting in the referendum and by 20.1% of the production volume voted in the referendum.

Either 50% support by number of voting producers or 50% of the volume of cranberries they represent was needed for the program and the Cranberry Marketing Committee to remain in place. The voting period was June 9-30, 2023.

The committee locally administers the marketing order by conducting research and promotion activities on behalf of the U.S. cranberry industry. The marketing order, which was established in 1962, provides for the use of volume control in the form of producer allotments, handler withholdings, or a combination of both.

USDA will engage with committee staff on next steps and intends to provide the opportunity for cranberry producers, industry participants, and the public to express their views on terminating the program during an upcoming public notice and comment period.

More information about the marketing order regulating the handling of cranberries grown in 10 states is available on the USDA AMS webpage, the Marketing Orders and Agreements webpage, or by contacting the Market Development Division at (202) 720-8085.

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