



CRANBERRY
MARKETING
COMMITTEE
UNITED STATES OF AMERICA

June 2018 Cranberry News

FINAL 2017 HANDLER WITHHOLD VOLUME REGULATION RULE

The final 2017 Handler Withhold rule was published April 4, 2018. This is the USDA's final decision and the rule will be implemented as published. It can be viewed at federalregister.gov; a hard copy of the final rule was mailed to all CMC growers and handlers.

The final published rule states:

- The free and restricted percentages for cranberries handled by handlers during the crop year beginning on September 1, 2017, are established at 85% free and 15% restricted.
- Small handlers who process less than 125,000 barrels of cranberries during the 2017-18 fiscal year or handlers who do not have carryover inventory at the end of the 2017-18 fiscal year (August 31, 2018) will be exempt from the restriction. Carryover inventory does not include fruit sold or fruit under contract.
- Handlers have the option to process restricted cranberries into dehydrated cranberries or other processed products. Handlers also have the option to divert concentrate or other processed products from the 2017-18 crop as provided in §929.107 to account for up to 50% of their restriction.
- Organically grown fruit shall be exempt from the volume regulation requirements of this section.
- Outlets for restricted fruit may include:
 - Foreign countries, except Canada, provided that restricted cranberries diverted under this provision may not be converted into canned, frozen or dehydrated cranberries or other cranberry products by any commercial process, prior to diversion;
 - Charitable institutions;
 - Any non-human food use, or;
 - Research and development projects approved by the Committee dealing with the development of foreign and domestic markets.



A Handler Withhold Q&A document will be uploaded to www.uscranberries.com in early June.



Aug. 15 & 16
2018 SUMMER MTG
Mt. Laurel, NJ

2018 PRODUCER ALLOTMENT PROPOSED RULE

The proposed 2018 Producer Allotment rule was published in the Federal Register on April 27, 2018. It can be viewed at federalregister.gov; a hard copy of the proposed rule was mailed to all CMC growers and handlers.

The proposed rule establishes a grower allotment at 75% for the 2018-19 season and proposes to exempt handlers that processed less than 125,000 barrels during the 2017-18 fiscal year, or handlers that did not have carryover inventory at the end of the 2017-18 fiscal year. Accordingly, growers delivering fruit to exempt handlers would not be subject to the volume regulation restriction.

Following the comment period, which ended May 29, it will take an additional 30-60 days for a final rule to be published.

In early June, the CMC will send growers their Sales History Preliminary Allotment Certificate that shall be applied if the 2018 crop is regulated as proposed. Growers interested in submitting an appeal, should complete the appeals form along with any pertinent material that supports the grower's appeal.

CMC PARTNERS WITH CHEFSFEED FOR CRANBERRY VIDEO

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combination of cranberries and Hispanic cuisine. Chef Rodarte's recipes show how easy it is to break cranberries out of their typical role and use the superfood in new ways to create great-tasting meals.

"Cranberries are often thought of only during Thanksgiving, but with so many product forms available throughout the year, they can be easily incorporated into menus during any season," said Rodarte. "The flavors of cranberries and traditional Hispanic dishes marry beautifully, and my family recipe of Arroz con Pollo highlights just that."

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You can watch chef Rodarte make Dried Cranberry Arroz con Pollo and a Cranberry Paloma at www.chefsfeed.com or on the CMC's website and YouTube channel.

About Chef Julian Rodarte

On September 12, 2017, Julian was named as a Zagat 30 Under 30 National 2017 Winner. He was raised in the kitchen glued to his father's hip. Father and son spent all their time together cooking or planning their next culinary inspired meal. As soon as Julian was old enough, he told his father he wanted to start developing his culinary skills on the

line of his father's taqueria. Beto handed his son an apron and said you can start in the dish pit hoping to discourage any desire for Julian to be enticed into the restaurant industry. But Julian's passion for food was irresistible. Julian has since graduated from the Culinary Institute of America and worked for the Ritz-Carlton, Dean Fearing, Denny's as a Corporate Chef working on Research and Development and was most recently a Culinologist for a food manufacturer developing new items for national chain brands like Pei Wei, Panera Bread, Chili's, and many

similar restaurant chains. Together Beto and Julian hope to create a craving not just for Mexican food, but for the live chef-to-table experience offered at Beto & Son's restaurant for the next generation.

About ChefsFeed

ChefsFeed works with thousands of the best food and beverage professionals to bring consumers exclusive videos and stories, and provide a new way to discover where to eat and drink based on their expert recommendations. Visit www.chefsfeed.com to learn more.



IS YOUR MAILING ADDRESS UP TO DATE?

The CMC has sent several important mailings this spring via traditional USPS delivery. It is critical that we have growers' most up-to-date contact information on file so that you can receive these mailings in a timely manner.

Please contact the CMC office at 508-291-1510 if you need to update any of your contact information including mailing address, email address and/or phone number.



NEW VOLUNTARY CONTRIBUTIONS RULE

A proposed amendment to the Marketing Order No. 929, which would permit the CMC to add the authority to accept contributions from domestic sources, was published in the Federal Register on April 27, 2018. Contributed funds would be used solely for research and development activities authorized under the marketing order and would be free from any encumbrances as to their usage by the donor.

Comments for this proposal must be received by June 26, 2018. Comments must be sent to the Docket Clerk, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250-0237; Fax: (202) 720-8938; or internet: <http://www.regulations.gov>. All comments should reference the document number (2018-08526) and the date (April 27, 2018) and page numbers (18460-18462) of this issue of the Federal Register.



NEW WWW.USCRANBERRIES.COM WEBSITE TO PROVIDE ENHANCED USER EXPERIENCE

The Cranberry Marketing Committee is pleased to announce the launch of its new website at www.uscranberries.com. The CMC worked with Eric Alves at EA Designer to create the updated site, which features a contemporary design and enhanced user experience.

The CMC has a robust catalog of cranberry industry resources and we are pleased to provide visitors to our website with a more efficient way to access that information. The new site will make it easier to view and share information like recipes, videos, statistical data, industry reports and much more.

The CMC website is home to information on the history and cultivation of cranberries in the United States, as well as comprehensive data on production and sales from U.S. cranberry growers and handlers.

Additionally, the CMC's website has dedicated areas for retail and foodservice professionals seeking industry-specific information and recipes to help market cranberries to their consumers.

We understand the importance of a website in the overall marketing arsenal, and it was time to bring ours up to date with a more modern back-end system and front-end design. This new website is easy to navigate and is integrated with some of our other systems. It more effectively showcase the power and versatility of America's Original Superfruit® to our target audiences throughout the year.

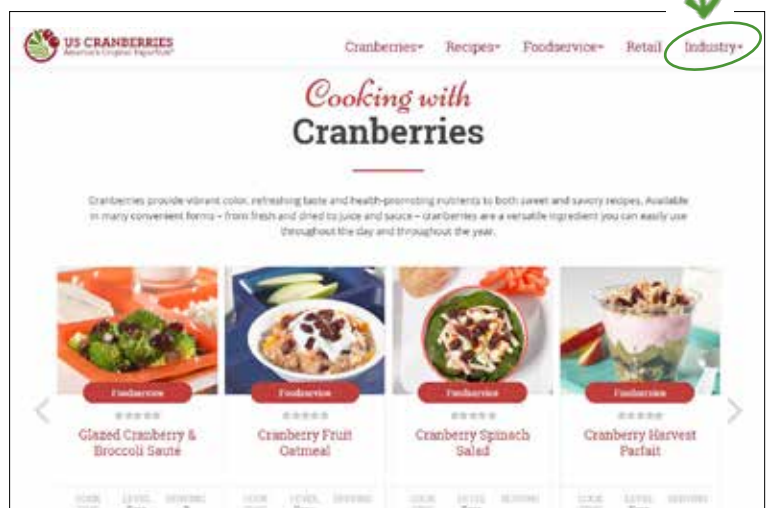
If you have any feedback on the new [uscranberries.com](http://www.uscranberries.com) website, please contact Karen Cahill at kcahill@uscranberries.com.

WHERE TO FIND INDUSTRY-SPECIFIC CONTENT

There has been no change to the Member Portal once you are logged in; it will look and function the same as it always has. You can access the Member Portal from the red "Member Portal" button or the "Industry" drop-down menu at the top of every page.

The Industry drop-down also contains links to the following:

- Brands & Suppliers (*List of Handlers*)
- Data & Reports (*Same list of reports that you're used to*)
- Global Marketing (*International Rep Contact Info*)
- About CMC (*List of Board Members & Industry Contacts*)
- Industry News (*Where you will find important updates, announcements and links to files such as meeting minutes, documents, Federal Register postings, etc.*)



SPRING 2018 INTERNATIONAL MARKETING UPDATES FROM CHINA, MEXICO & SOUTH KOREA

China

ATO Beijing held bakery seminars in Tianjin on March 6 and Zhengzhou on March 8 to promote U.S. ingredients in second-tier cities in China. Dr. Christopher D. Bielecki, Deputy Director of ATO Beijing, delivered welcoming remarks at both seminars, with Jamie Fous, Consul General of the U.S. Consulate General in Wuhan, attending and speaking in Zhengzhou.

More than 80 local bakery trade and industry representatives attended the events. Sarah Jia delivered a talk on U.S. Cranberries to assembled invitees in Tianjin. Two cranberry-based bakery products were demonstrated at the seminar: Cranberry-Pecan Cake with Chocolate Drops and Prune Custard Tart with Cranberry Gelee. Guests not only had the chance to learn from the chef, but to also sample the prepared products during tea breaks. Furthermore, cranberry products, brochures, tent cards, and posters were prominently displayed at the events.

March 7-18, the CMC had a cranberry in-store promotion at Hema Fresh, a premium supermarket in Guiyang, the capital city of Guizhou Province in Southwest China. Five SKUs from four brands of cranberry products including dried cranberries and cranberry juice were featured at this promotion. The store set up a cranberry special display counter with cranberry samples and brochures as giveaways. The CMC arranged for promoters to introduce shoppers to cranberries' basic features and



benefits. The CMC also invited bakers to demonstrate the various applications of U.S. cranberries at different intervals during the promotion days. Total sales of cranberry products during the promotion produced an increase of 47.3% compared with the period prior to the promotion.

Mexico

In March, nine pick-ups in printed media and 22 in websites were published in Mexican media outlets reaching 4,887,431 readers and an advertising value of \$53,684. Cranberries were featured in four radio/TV shows and CMC's food technical engineer visited nine different companies.

Four new cranberry products were found in the Mexican market in March including: cranberries with chili powder, cranberries with chia, and different mixes of granola with cranberries.

South Korea

U.S. cranberry products were promoted at E-Mart Mall May 3-16. E-Mart Mall is the online shopping channel of E-Mart, a leading retail supermarket chain with 146 stores throughout South Korea and with about \$130B annually. The CMC provided cranberry cocktail recipes and beverage recipes, which had been developed in South Korea over the last two years.

The CMC has been working with California Pizza Kitchen (11 stores throughout South Korea) to propose new menu development using cranberry juice/concentrate for two cranberry beverages: Red and White Cranberry Sangria, both containing cranberry juice and frozen cranberries. A menu POS with the CMC logo was produced and another POS for store entry is in progress for production.

INTERNATIONAL ACTIVITY CALENDAR

- June 1-30 Retail Promotion at Kims Club (Korea)
- June 14 Product Launching at Bread&Co (Korea)
- June 23-24 Busan Beer & Wine Festival (Korea)
- June 27-29 Independence Day Celebration (China)
- June Retail Promotions (Mexico & India)
- Facebook Ad Campaign (Mexico)
- Press Release/Mailing (Germany, France)
- Pizza Chain Promotion (Beijing, China)
- Facebook Updates (Pan-Europe)
- Website and Social Media Updates (India)
- Celebrity Chef Influencer Collaboration (India)
- Bakery Demonstrations (India)
- July 2 Dried Fruits Nuts Workshop (Pan- Europe)
- July Facebook Ad Campaign (Mexico)
- Facebook Updates (Pan Europe)

- Digital Health Communication (Korea)
- Foodservice Promotion (Korea)
- Retail Promotion (India)
- Cranberry Masterclass (China)
- Online and Offline Event with Quna (China)
- Website and Social Media Updates (India)
- Bakery Demonstrations (India)
- Facebook Ad Campaign (Mexico)
- Facebook Updates (Pan Europe)
- Public Relations Special Event (Mexico)
- ABC Cooking Studio Promotion (China)
- In-store Promotion with BHC (China)
- Bakery Promotion with SABS (China)
- Nutritional Summit by ShethePeople.tv (India)
- Retail Promotions (India)
- Bakery Demonstrations (India)

August

A full international activity calendar is available at uscranberries.com

FIVE-YEAR COMPARISON REPORT: SECOND QUARTER NUMBERS INCLUDING CY2017

CY2017 second quarter summary reports, as well as several comparison reports, can be found by clicking “Data and Reports” on the uscranberries.com homepage (or the “Industry” drop-down menu or the web page footer). Please note the chart below reflect year-to-date numbers from September 1 to April 30 of each year. A few observations comparing the 2016 vs. 2017 Crop Years:

- Domestic sales are up 1.3%
- International sales are up 29%
- Overall sales increase of 10%
- Government purchases down 79%
- Foreign fruit acquired down 34%
- Carry-over inventory down 5%

	2013	2014	2015	2016	2017
Beginning Inventory					
Barrels Unfrozen:	0	0	0	0	0
Barrels in Freezers:	2,365,693	2,564,083	2,654,030	2,773,027	4,175,273
Barrels in Process Form:	1,632,929	1,903,560	1,834,928	2,024,414	1,842,736
Barrels in Concentrate Form:	1,795,073	3,041,141	3,182,138	3,508,002	3,727,372
Inventory Before Adjustments:	5,793,695	7,508,784	7,671,096	8,305,443	9,745,381
Adjustments:	1,918	-20,012	43,952	-5,975	253,802
Adjusted Beginning Inventory:	5,795,613	7,488,772	7,715,048	8,299,468	9,999,183
Sources					
Massachusetts, Rhode Island, Connecticut:	1,866,242	1,894,288	2,190,416	2,102,566	1,758,592
New Jersey:	508,805	570,842	438,289	575,192	422,830
Oregon:	425,491	491,895	546,073	379,458	479,109
Washington:	147,891	149,883	196,085	159,475	130,684
Wisconsin, Michigan, Minnesota:	5,861,014	4,923,580	4,687,177	6,033,837	5,335,325
Other states:	9,169	27,308	131	217	196
Total Domestic Acquired:	8,818,612	8,057,796	8,058,171	9,250,745	8,126,736
Foreign Acquired - Fresh:	111,920	70,446	70,420	86,119	86,617
Foreign Acquired - Processed:	1,396,786	1,665,525	1,707,220	1,922,084	1,187,445
Foreign Acquired - Concentrate:	32,022	1,067	9,728	27,052	70,796
Total Barrels Acquired:	10,359,340	9,794,834	9,845,539	11,286,000	9,471,594
Barrels in Transit:	46,617	37,928	1,397	-77,222	14,822
Sales					
Fresh:	270,383	258,767	270,229	288,697	284,672
Processed & Sold:	3,198,971	3,297,907	3,527,154	3,484,474	3,604,714
Sold to Processors in District:	228,118	452,465	254,411	212,851	295,333
Sold to Processors outside of District:	329,483	260,989	304,432	356,904	489,194
Sold to Government:	54,739	194,560	414,215	343,280	71,599
Total Domestic Sales:	4,081,694	4,464,688	4,770,441	4,686,206	4,745,512
Foreign Sales Fresh:	53,581	55,952	47,906	43,821	45,273
Foreign Sales Processed:	1,368,933	1,505,148	1,610,816	1,577,749	2,202,898
Foreign Sales Concentrate:	382,283	378,880	398,966	390,442	354,389
Total Sales:	5,886,491	6,404,668	6,828,129	6,698,218	7,348,072
Shrinkage:	331,489	373,290	40,595	123,821	86,364
Total Sales & Shrinkage:	6,217,980	6,777,958	6,868,724	6,822,039	7,434,436
Ending Inventory					
Barrels Unfrozen:	0	0	0	758	0
Barrels in Freezers:	5,136,734	5,192,080	5,110,324	6,901,820	5,422,649
Barrels in Process Form:	1,761,852	1,896,766	2,018,119	1,959,327	2,460,504
Barrels in Concentrate Form:	3,085,005	3,454,730	3,564,817	3,824,301	4,168,010
Total Barrels in Inventory:	9,983,591	10,543,576	10,693,260	12,686,206	12,051,163

CMC BOARD OF DIRECTORS

Term of office: August 1, 2016 - July 31, 2018

DISTRICT 1 (MA, RI, CT)

Major Cooperative Members & Alternate

Adrienne Mollor (Member)

Lawrence Harju (Member)

George Rogers (Alternate)

Other Than Major Cooperative Members & Alternate

Parker Mauck (Member)

James Rezendes (Member)

Dawn Gates-Allen (Alternate)

DISTRICT 2 (NJ)

Major Cooperative Members & Alternate

Stephen Lee IV (Member)

Joseph Darlington (Alternate)

Other Than Major Cooperative Members & Alternate

Tom Gerber (Member)

William R. Poinsett (Alternate)

DISTRICT 3 (WI, MI, MN)

Major Cooperative Members & Alternate

Jill Amundson (Member)

David Bartling (Member)

Martin Potter (Alternate)

Other Than Major Cooperative Members & Alternate

Jim Van Wychen (Member)

Vicki Nemitz (Member)

Gary Jensen (Alternate)

DISTRICT 4 (OR, WA)

Major Cooperative Members & Alternate

Frank O. Glenn III (Member)

Kevin Hatton (Alternate)

Other Than Major Cooperative Members & Alternate

George Bussmann (Member)

Ron Puhl (Alternate)

AT-LARGE MEMBER & ALTERNATE

Alexander C. Ells (Member)

Jessi Rezin (Alternate)

PUBLIC MEMBER & ALTERNATE

Thomas O'Guinn, Ph.D. (Member)

Steven White, Ph.D. (Alternate)

CMC ADMINISTRATIVE OFFICE

Michelle Hogan (Executive Director)

Judy Mears (Executive & Financial Assistant)

Karen Cahill (Communications & Marketing)

Dotty Pipher (Administrative Assistant)

NEW BOARD MEMBER TERM BEGINS AUGUST 1

Nomination forms and election ballots were mailed to independent members in the spring. Those results, along with Ocean Spray's recommendations for CMC board members, were sent to the Secretary of Agriculture of the United States in June. Once appointed by the Secretary, the next set of CMC board members will be announced - typically prior to the CMC's summer meeting on August 15 & 16 in Mount Laurel, NJ. The next Board Member term will be August 1, 2018 through July 31, 2020.



CMC TO EXHIBIT AT SNA CONFERENCE IN JULY

The CMC will be exhibiting at the School Nutrition Association (SNA) Annual National Conference July 9-12, 2018 in Las Vegas, Nevada. At this event, nearly 7,000 school foodservice professionals gather for four days to share ideas and learn best practices.

The CMC has attended this conference for the past several years with great success. While there, we engage with foodservice professionals face-to-face to answer questions and provide educational and nutritional information. This is a valuable opportunity for us to reach third-party influencers who can become important ambassadors for our industry.



UPDATES ON INTERNATIONAL CRANBERRY TARIFFS: EU & CHINA RETALIATION LISTS

Europe

In early March, President Trump announced his intention to impose new tariffs on steel and aluminum imports on all supplying countries. Two weeks later, Europe, a large exporter of steel and aluminum to the U.S., announced its own set of proposed retaliatory tariffs. Among the list were tariffs on fresh cranberries, cranberry concentrate, and dried cranberries. The EU has not announced at what level the tariffs would be set, or when the tariffs would go into effect, but the current most favored nation (MFN) tariffs are 16.8% for concentrate and 17.6% for dried cranberries. These duties are currently suspended in the EU for concentrate and most dried cranberries.

The White House announced on March 22 that the EU would be exempted from the new tariffs until May 1, 2018, pending ongoing discussions. On April 30, the White House postponed the decision on imposing steel and aluminum tariffs in

the EU until June 1. ***On May 31, the U.S. announced that a 25% tariff on steel imports and a 10% tariff on aluminum imports from the EU, Canada and Mexico would go into effect June 1.***

If the retaliatory tariffs are implemented, U.S. cranberries could face higher tariffs; competitor Canadian product will continue to enter duty-free due to its free trade agreement with the EU.

China

On April 1, the Chinese government issued its own retaliation list for U.S. steel and aluminum tariffs. This list included increasing the fresh cranberry tariff from 13% to 28%. This new tariff is in effect, but the U.S. does not have access to the fresh cranberry market in China, so the higher tariff had little effect. On April 4, China issued a second list of proposed tariffs, this time in response to administration plans to impose tariffs due to China's technology policies. In this second list of tariffs, China included dried cranberries.

Once implemented, that tariff would increase from 15% to 40%. This tariff has not yet been imposed, because the U.S. has yet to implement any tariffs due to China's technology policy as a U.S. public comment period and review is underway.

It is important to reiterate that, as a quasi-governmental agency the CMC is prohibited against lobbying Congressional leadership or actively working on this issue other than to provide information to the industry. The CMC has a tariff subcommittee that works closely with our consultants at Bryant Christie Inc., to monitor any and all trade issues that may impact our industry's ability to export.

We will continue to monitor international cranberry tariff developments and update the industry as necessary. ***If you are contacted by media on tariff matters, please refer them to industry spokesperson Terry Humfeld at the Cranberry Institute: thumfeld@cranberryinstitute.org.***



UPDATES ON THE STATUS OF CRANBERRY MRLS IN KOREA, EUROPEAN UNION & CODEX

Korea

From April 16-20, Matt Lantz traveled to Korea and Japan to work on the Korean MRL transition, which will occur on June 1, 2019. Matt met with the U.S. Embassy, the Korean government, and numerous registrants in both countries to discuss the need for a smooth regulatory transition and to advocate for cranberry MRL data package submissions. Earlier in April, the CMC MRL subcommittee identified six priority MRLs that the industry itself will submit to the Korean government

if no submission is made by registrants. Dr. Caroline Harris from Exponent will assist with these submissions. After the list was developed, the CMC learned that one of the identified priorities (mancozeb) will be submitted by the registrant. Efforts to minimize the trade impact on this issue will continue throughout the year.

Europe

In April, the European Parliament agreed with the European Commission's proposal to establish endocrine disruptor standards in the EU. Starting in November 2018,

if a chemical is deemed to be an endocrine disruptor, it will be withdrawn from the EU market, and MRLs are likely to be eliminated as well. This will apply to all new and ongoing regulatory reviews. The EU requires all chemicals to be reviewed every 15 years. A policy on exemptions to this new regulation has not yet been developed. BCI has provided the CMC a list of potential chemicals affected by this in the future and will continue to track this issue and work with the U.S. Mission to the EU to minimize the effect of this

policy. Regarding quinclorac, an import tolerance application will be needed to obtain the MRL in the EU. BASF will assist the industry with this effort by providing needed data. This application process will begin immediately, but will likely take two years to complete.

Codex

BCI attended the Codex meeting in April in Haikou, China. While there, BCI worked on Korean and EU MRLs and met with government officials working on MRLs from numerous countries.



CRANBERRY
MARKETING
COMMITTEE

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June 2018

Cranberry News

CELEBRITY CHEF INCORPORATES CRANBERRIES INTO THE FIESTA

The CMC partnered with chef Julian Rodarte and ChefsFeed to showcase the versatility of cranberries in two delicious new recipes inspired by Rodarte's Hispanic culinary heritage. Rodarte, one of Zagat's 30 Under 30 in 2017, provided consumers with a fresh perspective on cranberries' dynamic flavor and ability to be incorporated into recipes year-round.

Because of his vast knowledge and expertise in Hispanic cuisine, chef Rodarte understood our vision of cranberries' versatility, and saw the potential to highlight their unique flavor in traditional dishes. He is a world-class chef who masterfully incorporated the bold flavor of cranberry into recipes that can be easily replicated at home and enjoyed by all.

Rodarte, who described his cooking style as millennial next-gen Mexican food, created two recipes – a Dried Cranberry Arroz con Pollo and a Cranberry Paloma – that underscore the unique flavor

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