



CRANBERRY
MARKETING
COMMITTEE
UNITED STATES OF AMERICA

March 2018 Cranberry News

CMC'S BIENNIAL MEETING RECAP: 2018 WINTER EDITION

More than 80 members of the cranberry industry gathered in Arlington, VA on February 12 and 13 for the winter edition of CMC's biannual meeting.

Notable takeaways from the meeting include the Committee voting in support of continuing to fund health research through 2018. The Committee reduced its domestic budget considerably for the 2018/2019 fiscal year and will not renew the separate fresh fruit promotion program. Representatives from Canada reported that their 2017 crop was down significantly, much like the U.S. crop. They, along with CMC, believe the crop will rebound in 2018. (See Crop Estimates and updated Marketing Policy on pg. 4.)

BCI's Matt Lantz provided a very thorough report on MRLs (EU update on pg. 3) and trade policy (pg. 6). BCI also presented on the international marketing program, which resulted in a 10% increase of exports to target markets and a 3% increase in overall exports from CY15 to CY16. Committee members voted to consolidate the international program in 2019 to focus on just two target markets: China and India (pg. 2).

Representatives from USDA were in attendance and listened as industry members urged quick decisions be made with regards to the finalization of the 2017 Handler Withhold rule and the publication of the 2018 Producer Allotment proposed rule, as the timing of both significantly impacts growers' planning and business operations.

It was noted that while the cranberry industry has reaped the benefits of USDA Section 32 bonus buys in the past few years, the industry cannot continue to expect the same levels of purchases in the future. Finally, the Assessment Review Subcommittee reported there is no interest in raising grower assessments at this time.

The CMC would like to thank all who participated in this year's productive winter meeting.



2018 Winter Meeting materials and presentations can be downloaded at uscranberries.com > Industry Portal > CMC Meeting Materials



UPDATES ON 2017 & 2018 VOLUME REGULATION

A proposed rule to establish reporting requirements and the necessary documentation to help ensure compliance when a volume regulation is established was published in the Federal Register Thursday, Feb. 15. **Comments on this proposed rule must be received by April 16, 2018.** View and comment at www.federalregister.gov.

As of the publication of this newsletter, both the 2017 Handler Withhold final rule and the 2018 Producer Allotment proposed rule are still going through the appropriate USDA channels. The CMC will alert industry members as soon as we have any updates. Please make sure we have your most up-to-date contact info, preferably email, for timely notifications.

In preparation for a 2018 Producer Allotment Volume Regulation, CMC will send growers an AL-1 form for each contract registered with the CMC. **AL-1 forms need to be completed and submitted to the CMC by April 2, 2018.** The information required on this form will include the amount of currently producing acreage as well as new and renovated acreage from 2012-2017 that will need to be verified by CMC inspectors in order to receive additional allotment for these acres. This is a critical step that must be done prior to regulation in order for growers to receive an accurate allotment certificate.

INTERNATIONAL MARKETING: OVERALL 2016/2017 EXPORTS INCREASED 3% BY VOLUME

CMC completed its 18th year of international generic promotions and witnessed tangible results in promoting global awareness and demand for U.S. cranberry products. **Overall 2016/17 exports of U.S. cranberries increased 3% by volume to reach more than 2.8 million 100-lb barrel equivalents.** U.S. cranberry exports to CMC’s target markets increased by 102,549 barrels representing a 10% increase over the 2015/16 marketing year. Additionally, an impressive **841 new cranberry products were launched in target markets** during the 2017 calendar year program. These results seem to suggest that CMC’s generic activities helped generate interest in U.S. cranberries by trade and consumers alike.

CMC launched a full-scale promotional program in India in September 2017. Through the first year of generic promotions, which included a mix of consumer PR and trade promotions to generate awareness and demand, CMC was able to reach 200 million consumers and generate more than \$1.1 million in cranberry media coverage. These impressive results seem to only confirm the high potential of this emerging cranberry market.

The CMC’s international marketing efforts and strategic priorities for the rest of the 2018 calendar year will remain focused on the five target markets listed in the chart above: Pan Europe, Mexico, China, Korea and India. However, the Committee did vote at the annual winter meeting to consolidate the program’s focus

| CMC Five Year Export Data Overview | | | | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|----------------------|--------------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | % Change (Past Year) | % Change (5 Years) |
| Target Markets | | | | | | | |
| Pan Europe | 661,660 | 852,321 | 913,201 | 1,009,212 | 947,869 | -6% | 43% |
| Germany | 245,035 | 301,619 | 316,575 | 375,009 | 319,421 | -15% | 30% |
| France | 106,858 | 133,594 | 144,902 | 147,754 | 182,995 | 24% | 71% |
| Poland | 37,033 | 53,892 | 79,060 | 116,073 | 129,326 | 11% | 249% |
| Turkey | 9,605 | 9,003 | 19,286 | 7,056 | 13,001 | 84% | 35% |
| Other Europe | 261,331 | 350,140 | 347,144 | 356,726 | 303,127 | -15% | 16% |
| Mexico | 123,471 | 99,139 | 127,238 | 151,756 | 170,273 | 12% | 38% |
| China | 28,861 | 58,906 | 82,843 | 128,319 | 194,848 | 52% | 575% |
| Korea | 27,070 | 56,614 | 72,677 | 58,473 | 77,126 | 32% | 185% |
| India | 1,599 | 1,206 | 1,295 | 2,322 | 1,259 | -46% | -21% |
| Other Markets of Interest | | | | | | | |
| UK | 417,425 | 381,051 | 376,074 | 399,577 | 413,502 | 3% | -1% |
| Canada | 394,083 | 406,474 | 417,702 | 475,361 | 493,121 | 4% | 25% |
| Israel | 30,477 | 43,276 | 43,247 | 62,337 | 60,335 | -3% | 98% |
| Russia | 72,197 | 72,029 | 82,253 | 21,288 | 19,446 | -9% | -73% |
| Italy | 20,281 | 42,153 | 38,736 | 47,046 | 51,527 | 10% | 154% |
| Australia | 97,573 | 102,527 | 95,388 | 113,841 | 109,872 | -3% | 13% |
| Taiwan | 41,882 | 47,460 | 56,090 | 67,364 | 68,500 | 2% | 64% |
| Hong Kong | 8,779 | 16,490 | 18,001 | 28,137 | 29,191 | 4% | 233% |
| Japan | 21,367 | 30,259 | 37,809 | 25,799 | 31,881 | 24% | 49% |
| Vietnam | 528 | 175 | 185 | 161 | 19,452 | 11997% | 3584% |
| All Remaining Countries | 125,647 | 200,070 | 224,614 | 186,896 | 181,167 | -3% | 44% |
| Grand Total | 2,072,900 | 2,410,151 | 2,587,353 | 2,777,908 | 2,869,369 | 3% | 38% |

*Aggregate figures from annual CMC summer export survey

to only China and India beginning January 2019.

Mexico and many of the countries falling under the Pan Europe umbrella are considered to be in the “mature” market category. The Committee has determined its international resources will have a bigger impact in China and India, two rapidly growing and high-population countries where the CMC has already seen a tremendous potential for export growth.

According to the industry’s 2017 FAIR Evaluation: *In China and India as incomes have grown rapidly, consumers*

have sought to markedly expand diversity in their diets beyond traditional staples, especially in terms of consumption of proteins and fruits, vegetables, and nuts. These trends represent an important export opportunity for producers of these commodities. In terms of specific product attributes, Chinese consumers to date have primarily focused on food safety and country-of-origin attributes, and, along with counterparts in India, exhibit greater willingness to pay for food safety relative for example to a product’s environmental attributes.

INTERNATIONAL ACTIVITY CALENDAR

- Feb. 1-28 Recipe Competition with CPK (Korea)
- Feb. 1 Media Appreciation Event (China)
- Feb. 5-25 Cranberry Menu Promotion (China)
- Feb. 14-20 Online Red Packet Project with SINA (China)
- February Polish Instagram Channel (Poland)
- February Recipe and Video Development (Mexico)
- February Facebook Ad Campaign (Mexico)
- February Retail Promotions (India)
- March 6-8 ATO Beijing Bakery Promotion (China)
- March 7-18 Retail Promotion at Hema Fresh (China)
- March 22-24 FIC Trade Show (Shanghai, China)
- March 23-April 22 Menu Promotion at Café Sungsu (Korea)
- March E-mart E-commerce Promotion (Korea)
- March Recipe and Video Development (Mexico)

- March Facebook Ad Campaign (Mexico)
- March Blogger Cooperation (Germany)
- March Bakery Demonstrations (India)
- March SABS Food Manufacture Training (China)
- April 1-25 Recipe Competition w/ Bread&Co (Korea)
- April 1-30 Retail Promotion at Kims Club (Korea)
- April 13-15 International Tree Nut Show (China)
- April Facebook Ad Campaign (Mexico)
- April Retail Promotions (Mexico)
- April Recipe Production (Germany)
- April Blogger Workshop (France)
- April SABS Food Manufacture Training (China)
- April Celebrity Chef Engagement & Recipe Development (India)

A full international activity calendar is available at uscranberries.com

STATUS OF EUROPEAN UNION MRLS & THEIR FUTURE

As Europe is the largest single export market for the U.S. cranberry industry, the current status of EU MRLs and their future is an issue that must be followed closely. There are two sets of concerns regarding EU MRLs: Review of Existing EU Chemicals/MRLs and The “Cut-Off” Criteria Situation.

Review of Existing EU MRLs

• The EU has had community-wide MRLs for 10 years, which have facilitated trade. No longer are there EU-wide MRLs and member state MRLs. Instead, there is a single set of EU MRLs. EU chemical registrations must be renewed at least every 15 years. The EU is reviewing all existing active ingredients, and MRLs are evaluated and can be adjusted as needed. Since 2011, they have reviewed 200 of 350 compounds.

• *Will an MRL change in a review?* Just because an active ingredient is reviewed does not mean the MRL will change; something must be new to adjust a MRL.

• *What is the review process?* Data is submitted by the pesticide registrant to the rapporteur member state (RMS). The RMS conducts the review and makes recommendations to the European Food Safety Authority (EFSA). EFSA reviews the RMS recommendation and forwards recommended MRLs to the European Commission (EC), which then votes. From there, the European Parliament approves and about five months later the MRL is formally implemented. The whole process takes about two years. Renewals are normally begun three years before a chemical is set to expire. Registrants typically initiate the review.

• *How do we weigh in now?* When the EU announces a proposed change to a MRL, it is done to the World Trade Organization (WTO) at the very end of the EU review process. At that point it is too late to comment. The EC might agree to delay a new lower MRL, but it will not change it. If an industry does not weigh in at all, they are simply out of luck. The only option then is to submit new data through an import tolerance, which can take two years.

• *Weighing in moving forward:* The EC agreed there has to be a better way to make sure MRLs are not lowered only to result in trade disruptions. In the last year, the European Food Safety Authority (EFSA) has started publishing upcoming reevaluations

quarterly, but BCI receives direct EFSA announcements of when these reviews start. The EC and EFSA stressed that this is the time to weigh in. The reviewing member states need good agriculture practice (GAP) data associated with the commodity and the compound. This is essentially the U.S. label, and can be submitted by the registrant who is starting to work with the RMS or by commodity groups. The important thing is to get the GAP information in as the review is starting. This signifies the MRL is needed and important. The RMS will review the GAP, and inform the industry if they need additional information.

• *Practical steps on weighing in:* BCI will inform the U.S. cranberry industry of the reevaluation and the importance of keeping the EU MRL. This is better than the old process, but there are still challenges.

Cut-Off Criteria -- The Big Challenge

• *What are the cut-off criteria?* In 2009, the European Parliament passed legislation that said chemicals could not be sold in the European market if they posed a hazard to the community. It could be a mutagen, a carcinogen, toxic for reproduction, or be an endocrine disruptor. If a chemical falls into one of these categories, EFSA will recommend its removal from the European market. Growers will not be able to use it, and EU MRLs will be withdrawn.

• *What is hazard vs. risk?* The 2009 legislation is based on hazard. Is a chemical potentially dangerous? Risk seeks to determine how likely a person is to be affected by such a hazard. The 2009 EU legislation looks at hazard and only minimally considers risk, which is at odds with the principles of the WTO that require scientific assessments based on risk.

• *How is cut-off criteria different from endocrine disruptors?* Endocrine disruptors (ED) are one of the categories for the cut-off criteria. It has achieved a lot of focus lately as the EC has been trying to set out principles for what would qualify for an ED.

• *What happens if a chemical is deemed to be subject to the cut-off criteria?* The active ingredient will be removed from use in the EU, growers won't be able to apply that compound to crops, and the MRLs will be removed. This is what is expected to happen to carbaryl (Sevin).

• *If a compound is withdrawn from the*

EU, what happens to the import MRLs? It is assumed import tolerances will be removed.

• *If a chemical is declared an ED, will we lose all the MRLs at once?* No. According to the EC's proposal, the consideration on whether a product is an endocrine disruptor (or meets the other cut-off criteria) will be made during the regular reevaluation review. When a compound is up for its normal review, a determination will be made if it is an ED. If so, the compound is likely to be withdrawn.

• *If an MRL is eliminated, how much time do we have?* Once the EC vote is taken to remove an MRL, it takes about nine months for it to be implemented and enforced. After the vote, there is a period of translation into EU languages, a EU Parliament vote, publication in the EU journal, and then another six months after that. IMPORTANTLY - and this was stressed several times by the Commission - food treated when the compound was legal remains legal in the EU. It does not matter how long it is stored.

Which chemicals might be EDs and subject to this process? There is no official list, but groups have attempted to put together prospective lists that include chemicals used in the U.S.: 2,4-D (Weedar), boscalid, cypermethrin, flumioxazin (Chateau), folpet, glufonisate, iprodione, maneb/mancozeb (Manzate), myclobutanil, propiconazole (Orbit), pendimethalin (Pendulum), spirodiclofen, tebuconazole, thiophanate-methyl, and thiabendazole. Again, these are not declared endocrine disruptors, and this is a subset of a larger list, but these are chemicals that are used in the U.S., so they could be important. Chateau, Manzate, and Orbit are listed as priorities by the Cranberry Institute.

• *What can be done?* If a chemical is deemed to trip the cut-off criteria, it will be removed from the EU, and depending on the future EU position, import MRLs are likely to be revoked. Options for success in seeking new import tolerances on such a compound are highly unlikely. This entire scenario is problematic and likely going to result in a WTO case against the EU. BCI will continue to track this issue and work with senior U.S. government officials addressing this situation.

Read BCI's full trade policy and MRL report from the winter meeting: uscranberries.com
> Industry Portal > CMC Meeting Materials



"I appreciate the opportunity the Cranberry Marketing Committee provided to have a discussion around added sugars on the nutrition label and the reminder of how important it is for dietitians to speak to the science"

-FNCCE 'The Sweet & Sour of Added Sugar' Session Attendee

The CMC attended the 2017 Food & Nutrition Conference & Expo held last October in Chicago. The Academy of Nutrition and Dietetics is the United States' largest organization of food and nutrition professionals, and their annual conference provides the CMC with the opportunity to showcase cranberries and our foodservice resources to its membership.

The CMC sponsored a special educational session to address the "added sugar" issue with RD influencers. The 90-minute luncheon with the Nutrition Entrepreneurs Dietetic Practice Group featured an all-star panel including Jenna A. Bell, Ph.D., RD; Joanne L. Slavin, Ph.D., RD; Julie Miller Jones, Ph.D., LN, CNS, CFS, FAACCI, FICC; and Connie Diekman, M.Ed., RD, LD, FADA.

Other highlights from FNCCE 2017 include:

- 1,482 unique booth visitors
- Distributed 3,000 SDC samples
- Sampled 5 lbs of fresh cranberries
- Distributed 2,767 recipe cards
- Obtained 409 survey respondents to measure changes in cranberry use and attitudes
- Distributed 431 CMC branded spoons
- Distributed 50 school foodservice toolkits and 100 foodservice website postcards

2018 CROP YEAR ESTIMATES

Domestic Cranberry Production Estimate

Updated 2/12/2018

| | <i>1,000 Barrels</i> |
|--|----------------------|
| MA Average | 2,100 |
| NJ Average | 488 |
| WI Average | 5,783 |
| OR Average | 447 |
| WA Average | 150 |
| 2018 Crop Year Domestic Production Estimate | 8,968 |

Estimated Carry-In, Supply, Sales/Usage & Carryout Inventory (9/01/2018 - 8/31/2019)

Updated 2/12/2018

| | <i>1,000 Barrels</i> |
|--|----------------------|
| 1 Estimated Carry-In | 8,026 |
| <i>Production & Acquired</i> | |
| 2 Estimated Domestic Production | 8,968 |
| 3 Estimated Foreign Acquired | 1,755 |
| 4 Total Production & Acquisitions (2+3) | 10,723 |
| 5 Available Supply (1+4) | 18,749 |
| <i>Estimated Shrinkage</i> | |
| 6 2% of Carry-in (1) | 161 |
| 7 4% Estimated Production/Acquisitions (4) | 429 |
| 8 Estimated Shrinkage (6+7) | 589 |
| 9 Adjusted Supply (5-8) | 18,160 |
| <i>Sales & Usage</i> | |
| 10 Fresh Fruit Sales | 324 |
| 11 Processing Fruit Usage | 9,729 |
| 12 Total Sales/Usage (10+11) | 10,053 |
| 13 Estimated Adjusted Carry-over | 8,106 |
| 14 Inventory as a % of sales | 81% |

FIVE-YEAR COMPARISON REPORT: FIRST QUARTER NUMBERS INCLUDING CY2017

CY2017 first quarter summary reports, as well as several comparison reports, can be found by clicking “Data and Reports” on the uscranberries.com homepage. Please note the chart below is only first quarter numbers from September 1 to December 31 of each year. A few general observations comparing the 2016 vs. 2017 Crop Years first cycle are as follows:

- Domestic production decreased overall by 12.6%
- Foreign acquisitions decreased by 36%
- Total domestic sales increased by 4.6%
- Fresh fruit sales decreased by 3.46%
- Export sales increased slightly by .5%
- Ending inventory decreased by 4%

| | 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: | 391 | -10,786 | 45,440 | -2,664 | -5,070 |
| Adjusted Beginning Inventory: | 5,794,086 | 7,497,998 | 7,716,536 | 8,302,779 | 9,740,311 |
| Sources | | | | | |
| Massachusetts, Rhode Island, Connecticut: | 1,866,242 | 1,894,288 | 2,190,416 | 2,102,566 | 1,755,845 |
| New Jersey: | 508,805 | 570,842 | 438,289 | 575,192 | 416,976 |
| Oregon: | 425,491 | 491,895 | 546,073 | 379,458 | 479,084 |
| Washington: | 147,891 | 149,883 | 196,085 | 159,475 | 130,108 |
| Wisconsin, Michigan, Minnesota: | 5,861,014 | 4,923,580 | 4,687,177 | 6,033,837 | 5,302,965 |
| Other states: | 9,169 | 27,308 | 131 | 217 | 196 |
| Total Domestic Acquired: | 8,818,612 | 8,057,796 | 8,058,171 | 9,250,745 | 8,085,174 |
| Foreign Acquired - Fresh: | 111,920 | 70,446 | 70,420 | 75,624 | 86,617 |
| Foreign Acquired - Processed: | 1,396,786 | 1,562,910 | 1,681,410 | 1,909,554 | 1,146,160 |
| Foreign Acquired - Concentrate: | 0 | 0 | 0 | 7,526 | 44,017 |
| Total Barrels Acquired: | 10,327,318 | 9,691,152 | 9,810,001 | 11,243,449 | 9,361,968 |
| Barrels in Transit: | 1,097 | 15,913 | 5,756 | -49,800 | 79,152 |
| Sales | | | | | |
| Fresh: | 270,536 | 258,102 | 268,600 | 288,629 | 278,637 |
| Processed & Sold: | 1,714,996 | 1,933,173 | 2,001,564 | 1,994,805 | 2,087,404 |
| Sold to Processors in District: | 146,657 | 218,948 | 200,710 | 100,725 | 227,361 |
| Sold to Processors outside of District: | 197,796 | 132,884 | 165,706 | 191,567 | 194,209 |
| Sold to Government: | 35,741 | 74,304 | 112,802 | 139,874 | 54,903 |
| Total Domestic Sales: | 2,365,726 | 2,617,411 | 2,749,382 | 2,715,600 | 2,842,514 |
| Foreign Sales Fresh: | 53,581 | 55,952 | 48,074 | 43,821 | 45,269 |
| Foreign Sales Processed: | 715,029 | 954,383 | 868,959 | 952,697 | 996,353 |
| Foreign Sales Concentrate: | 173,498 | 180,936 | 176,526 | 175,022 | 136,386 |
| Total Sales: | 3,307,834 | 3,808,682 | 3,842,941 | 3,887,140 | 4,020,522 |
| Shrinkage: | 193,068 | 118,776 | 717 | 18,862 | 205,473 |
| Total Sales & Shrinkage: | 3,500,902 | 3,927,458 | 3,843,658 | 3,906,002 | 4,225,995 |
| Ending Inventory | | | | | |
| Barrels Unfrozen: | 0 | 0 | 0 | 195 | 0 |
| Barrels in Freezers: | 7,959,406 | 7,778,447 | 8,408,856 | 9,669,940 | 8,695,432 |
| Barrels in Process Form: | 1,778,142 | 1,754,284 | 1,712,544 | 2,218,808 | 2,336,321 |
| Barrels in Concentrate Form: | 2,884,052 | 3,744,874 | 3,567,235 | 3,701,482 | 3,923,683 |
| Total Barrels in Inventory: | 12,621,600 | 13,277,605 | 13,688,635 | 15,590,425 | 14,955,436 |

CMC BOARD OF DIRECTORS

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

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Lawrence Harju (Member)

George Rogers (Alternate)

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Parker Mauck (Member)

James Rezendes (Member)

Dawn Gates-Allen (Alternate)

DISTRICT 2 (NJ)

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Martin Potter (Alternate)

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Vicki Nemitz (Member)

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Jessi Rezin (Alternate)

PUBLIC MEMBER & ALTERNATE

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CMC ADMINISTRATIVE OFFICE

Michelle Hogan (Executive Director)

Judy Mears (Executive & Financial Assistant)

Karen Cahill (Communications & Marketing)

Dotty Pipher (Administrative Assistant)

BCI - INTERNATIONAL TRADE POLICY UPDATE

EU Duty Suspension on SDCs

In December, the European Commission (EC) extended the duty suspension for SDCs for further processing for another 5 years. However, the EU reserves the right to revoke duty suspensions whenever it sees fit, and it is anticipated that this issue will be further debated in the first half of 2018 with another possible effort by the EC to withdraw the suspension in 2019.

The CMC has received a proposal from Weber Shandwick to continue to work on this issue in the spring of 2018 and seek to have interested domestic European parties approach the relevant offices in the EC to explain why cranberries are not in direct competition with EU red berries and the suspension should not be removed.

For now, the duty suspension remains for SDCs in 2018 and concentrate (which requires renewal in 2019). The CMC foresaw these potential challenges and had the systems in place and background information to address the obstacles. Additional work is likely needed in 2018 and 2019 to keep the suspension.

Canada-EU Free Trade Agreement Implementation

In September, the Canada-European Free Trade Agreement was provisionally implemented, which resulted in the tariff commitments in the agreement to go into effect. As a reminder, the EU agreed to immediately eliminate its tariffs on Canadian fresh and dried cranberry imports, as well as on cranberry concentrate. This is now being applied on Canadian cranberry product.

NAFTA Renegotiation

If the U.S. were to withdraw from NAFTA, it would have a significant negative impact on U.S. cranberries. Currently, all cranberry products exported to Canada and Mexico are duty-free due to NAFTA.

Korea FTA Amendments

In January 2017, the Trump Administration held a meeting to initiate potential amendments and modifications to the United States-Korea Free Trade Agreement (KORUS FTA). KORUS has been good for the U.S. cranberry industry. In 2012, the year KORUS was implemented, the U.S. exported \$5 million worth of cranberry products to Korea. Through the first 11 months of 2017, that number has more than doubled to \$12.5 million.

Withdrawal from KORUS would result in U.S. cranberry products reverting to the higher WTO tariffs, which Canadian product would not face because of their free trade agreement with Korea.

TPP-11

In 2017, the U.S. withdrew from the Trans Pacific Partnership (TPP). In January 2018, the remaining TPP countries committed to finalize the TPP without the U.S. in March 2018. This means that once completed and implemented, Canadian and Chilean cranberry product will eventually enjoy zero duties in Japan and Vietnam, while the U.S. will remain at current tariff levels. Therefore, as a consequence of pulling out of TPP, the U.S. will eventually be the only major cranberry producer facing higher World Trade Organization tariffs, while other major producers enter duty free. U.S. cranberries will automatically be more expensive.

The administration has a stated goal of negotiating bilateral free trade agreements with both Japan and Vietnam, but to date both countries have been reluctant to pursue such U.S. agreements. They are watching with interest the NAFTA renegotiation and determining whether a negotiation is in their interests.

Read BCI's full trade policy report from the winter meeting: uscranberries.com > Industry Portal > CMC Meeting Materials.



RECAPPING YEAR 3 OF CRANBERRY FRIENDSGIVING CONTEST

For the third straight year, the Cranberry Marketing Committee challenged Americans who partake in the millennial-driven trend of Friendsgiving to submit their most creative cranberry concoctions as part of the Cranberry Friendsgiving Photo Contest. After receiving 454 “cran-tastic” entries, the CMC was thrilled to award \$500 prizes in eight categories:

- **Décor:** Kristen Hewitt – Cranberry Mason Jar Centerpiece
- **Drink:** Kate Bowler – Cranberry Punch
- **Food:** Daniela Gerson – Pecangipane Pear & Cranberry Tart
- **NE:** Patricia Harmon – Fresh Cranberry Wreath
- **Central:** Haley Williams – Cranberry Curd Gingersnap Tart
- **SE:** Andrea Muth – Cranberry Ice Bucket
- **West:** Loren Nelson – Chocolate Wine Cake with Cranberry Filling
- **Southwest:** Mollie Pope – Cranberry Holiday Sangria

During the contest timeframe, cranberries and Friendsgiving were featured in 13.8K social media posts with 88.4K likes, comments and favorites, for a **total potential reach, including shares and retweets, of 55.6 billion – a 150% increase over the previous year.** The top 10 results by engagement include social media posts from CMC’s spokespeople, as well as several cranberry creations, highlighting the power of social media to help generate and amplify cranberry buzz and recipes across the nation.

Additionally, this year the contest secured top-tier national coverage including *The Rachael Ray Show* (viewership: 2M; UVM: 172,500), *Fox & Friends* (viewership: 1.6M; UVM: 24M) with celebrity chef, Georg Duran, *Good Morning Washington* (viewership: 150,000; UVM: 469,500) with Carlene Thomas, RDN and cranberry Friendsgiving segments on *The Lifestyle List* (viewership: 3.2M) and *Daytime* (viewership: 2.6M). Such media coverage featuring cranberries in trendy and holiday-themed segments shows the increase in awareness of cranberries in recent years and helps continue to spread cranberry messaging during the peak time period.

Lastly, **a partnership with Pyramid Foods during the contest period resulted in a 23% sales increase in dried cranberries and 10% sales increase in fresh cranberries.** As part of the partnership, the sponsored cooking class with cranberries was sold out within a day. Such partnerships help highlight versatility and keep cranberries top-of-mind for shoppers at retail.



BEST WISHES, ALYSON SEGAWA

It was announced at the winter meeting that longtime consultant Alyson Segawa is leaving BCI. Alyson has worked tirelessly on behalf of the cranberry industry for the past six years, helping develop and expand international markets. We are extremely grateful for her diligence and unwavering commitment to the industry. We wish her well in all future pursuits.





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WHAT'S INSIDE



- 2 INTERNATIONAL MARKETING
- 3 EU MRL UPDATE
- 4 CROP YEAR ESTIMATES
- 5 Q1 COMPARISON SUMMARY
- 6 TRADE POLICY UPDATE
- 7 FRIENDSGIVING RESULTS

March 2018

Cranberry News

CRANBERRIES FEATURED IN PRODUCE BUSINESS MAGAZINE

Cranberries were prominently featured in the October 2017 issue of *Produce Business* (circulation: 17,160; readership: 42,900).

The article highlights cranberries' versatility and opportunities for retailers to drive sales, including quotes about decorating with fresh cranberries, their culinary versatility, the CMC's foodservice programs and floral resources.

The article acknowledges the CMC's current strategy of going after the coveted Millennial market. "Marketing and sales executives are increasingly looking to create messaging beyond traditional cranberry uses by gearing campaigns and products toward Millennial consumers who are looking for a way to add vibrant flavors and color in their culinary and entertaining pursuits."

The article can be viewed online at www.producebusiness.com/cranberries-not-just-holidays.



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