



July 2018 Cranberry News

CRANBERRIES TURN UP THE HEAT AT SNA ANC IN VEGAS

The CMC recently exhibited at the 2018 School Nutrition Association Annual National Conference in Las Vegas, Nevada July 9-12. Each year this is a valuable opportunity to engage with school foodservice professionals from around the country.

Throughout the conference, CMC received great feedback from attendees. Overall, most school districts indicated they were serving dried cranberries as part of their school menu for breakfast, lunch and/or a snack. Some mentioned using cranberries on salad bars, in individual-serving packets, or even with chicken nuggets. Beyond that, foodservice professionals were especially interested in hearing about new ideas for cranberry recipes. CMC learned that gluten-free cranberry creations and grab-and-go recipes are currently in demand at schools. Attendees were also excited to take CMC-branded magnets, measuring cups and educational posters.

Highlights of CMC SNA outreach include:

- Engaged with 420 unique foodservice professionals with whom we will connect for future outreach
- Distributed 243 school foodservice toolkits, 400 magnets, 248 foodservice postcards
- Distributed 1,200 samples
- Distributed 100 educational posters
- Distributed 150 “Why We Choose These Foods” handout on behalf of the CI



Doris Demers - winner of the 2016 Cranberry Marketing Committee/ USA Pears Search for the Next Great Cranberry-Pear Recipe Contest - visits the CMC booth at SNA ANC 2018.



CMC SUMMER MEETING

August 15 & 16, 2018
The Westin Mount Laurel
Mt. Laurel, New Jersey

Agenda available at
uscranberries.com/industry-news

Contact Judy (jmears@uscranberries.com)
for more information.

LATEST VOLUME REGULATION UPDATE

The final rule to establish handler diversion and reporting requirements was published in the Federal Register July 12, 2018. This publication establishes the procedures handlers use to divert fruit through disposal or into noncompetitive outlets. The reporting requirements support the diversion procedures by providing the necessary documentation to help ensure compliance when a volume regulation is established.

At this time the CMC does not have any updated information on when the final 2018 Producer Allotment rule will be published in the Federal Register, but we are expecting it any day now. We will be sure to send a copy of the publication to industry members when it happens.

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LATEST INTERNATIONAL TRADE POLICY UPDATES

The CMC is prohibited against lobbying Congressional leadership on tariff issues. However, we do work with Bryant Christie Inc., to monitor any and all trade issues that may negatively impact the cranberry industry's ability to export to global markets. A summary of retaliatory cranberry tariffs in export markets is below. We ask that if anyone is contacted by members of the media on this matter, please refer them to Cranberry Institute Executive Director and industry spokesperson, Terry Humfeld, at thumfeld@cranberryinstitute.org.

We support free and fair trade, and remain hopeful that all parties involved can reach solutions that allow us to remain competitive in providing cranberry products to millions of consumers worldwide.

EUROPEAN UNION	
Product Affected:	Cranberry Concentrate (HS 2009.81)
Effective Date:	June 22, 2018 – IN EFFECT
Tariff Prior to Retaliation:	0% (duty suspension)
Retaliation Duty:	25%
Total Tariff:	25%
MEXICO	
Product Affected:	Dried Cranberries (HS 2008.93)
Effective Date:	TBD – within three years or sooner
Tariff Prior to Retaliation:	0% (duty suspension)
Retaliation Duty:	25%
Total Tariff:	25%
MEXICO	
Product Affected:	Dried Cranberries (HS 2008.93)
Effective Date:	June 4, 2018 – IN EFFECT
Tariff Prior to Retaliation:	0%
Retaliation Duty:	20%
Total Tariff:	20%
CHINA	
Product Affected:	Dried Cranberries (HS 2008.93)
Effective Date:	July 6, 2018 – IN EFFECT
Tariff Prior to Retaliation:	15%
Retaliation Duty:	25%
Total Tariff:	40%
CANADA	
Product Affected:	Cranberry Juice Drinks/Cocktails (HS 2202.10)
Effective Date:	July 1, 2018 – IN EFFECT
Tariff Prior to Retaliation:	0%
Retaliation Duty:	10%
Total Tariff:	10%



FIVE-YEAR COMPARISON REPORT: THIRD QUARTER NUMBERS INCLUDING CY2017

CY2017 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 June 30 of each year. A few general observations comparing the 2016 vs. 2017 Crop Years are as follows:

- The increase in sales is not as it appears because it reflects a change in reporting by several handlers.
- Government purchases are -86%, but we are being considered for a fall/winter Bonus Buy.
- Foreign fruit acquired has decreased by 34%.
- Shrinkage is + 637%, which reflects usual shrinkage plus volume regulation disposals.
- Carry-over inventory has decreased by 21%.

	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:	47,144	-29,629	62,455	-14,336	-118,244
Adjusted Beginning Inventory:	5,840,839	7,479,155	7,733,551	8,291,107	9,627,137
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	474,359
Washington:	147,891	149,883	196,085	159,475	130,684
Wisconsin, Michigan, Minnesota:	5,861,014	4,923,580	4,687,177	6,040,837	5,335,325
Other states:	9,169	27,308	131	217	196
Total Domestic Acquired:	8,818,612	8,057,796	8,058,171	9,257,745	8,121,986
Foreign Acquired - Fresh:	111,920	70,446	70,420	86,119	86,617
Foreign Acquired - Processed:	1,403,545	1,704,713	1,713,877	1,971,681	1,234,559
Foreign Acquired - Concentrate:	32,022	1,067	9,728	42,496	72,413
Total Barrels Acquired:	10,366,099	9,834,022	9,852,196	11,358,041	9,515,575
Barrels in Transit:	59,986	51,229	-19,662	-93,641	-1,023
Sales					
Fresh:	270,383	258,767	270,229	288,697	284,672
Processed & Sold:	3,942,827	4,032,078	4,315,216	4,307,310	4,940,069
Sold to Processors in District:	246,472	473,854	283,341	251,990	513,609
Sold to Processors outside of District:	396,102	342,614	400,249	524,629	624,870
Sold to Government:	140,597	288,394	419,715	381,536	76,581
Total Domestic Sales:	4,996,381	5,395,707	5,688,750	5,754,162	6,439,801
Foreign Sales Fresh:	53,581	55,952	47,906	43,821	45,273
Foreign Sales Processed:	1,702,717	1,857,032	2,016,717	1,960,433	2,747,224
Foreign Sales Concentrate:	499,756	494,065	530,589	571,314	604,636
Total Sales:	7,252,435	7,802,756	8,283,962	8,329,730	9,836,934
Shrinkage:	195,776	440,992	-18,447	197,247	627,674
Total Sales & Shrinkage:	7,448,211	8,243,748	8,265,515	8,526,977	10,464,608
Ending Inventory					
Barrels Unfrozen:	0	0	0	0	0
Barrels in Freezers:	3,704,068	3,907,986	3,892,491	5,594,101	3,695,103
Barrels in Process Form:	2,234,232	1,893,371	1,693,208	1,624,685	1,938,791
Barrels in Concentrate Form:	2,880,415	3,319,301	3,714,872	3,809,743	3,043,187
Total Barrels in Inventory:	8,818,715	9,120,658	9,300,571	11,028,529	8,677,081



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CONSUMER & TRADE CRANBERRY AWARENESS RISES IN CHINA

At the invitation of the U.S. Agricultural Trade Office Shanghai, CMC hosted a booth inside the USA Pavilion at Bakery China 2018, Asia-Pacific's leading bakery event, serving the entire value chain for the bakery and confectionery markets.

Cranberry awareness has been on the rise among consumers and trade in China. Dried cranberries are more frequently used as an ingredient in baking, and frozen cranberries attracted a lot of attention as well. CMC offered free samples of dried cranberries and cranberry juice, and gave away cranberry brochures. Visitors who scanned CMC's QR code and became followers of CMC's WeChat were presented with cranberry gift packs. Approximately 1,500 copies of various CMC brochures were distributed, 7 relevant trade leads were generated, and 173 business cards were collected at the show.



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