

# September 2019 Cranberry News



**Cranberry  
Marketing  
Committee**

## COMMITTEE ROCKS PLYMOUTH FOR 2019 SUMMER MEETING

On August 19 and 20, the Cranberry Marketing Committee and industry members convened in Plymouth, MA, for the CMC's annual summer meeting.

USDA Marketing Specialist Jen Varela provided the Committee with an overview of AMS and a Marketing Orders 101 presentation. Following that, Vincent Godin from APCQ updated attendees on Canadian crop projections and marketing efforts. Organic production in Quebec is expected to level off at about 38% of the overall production. The Quebec 2019 harvest is forecast for 2.3 million bbls; the total Canada projection is 3.36 million bbls.

The Committee's domestic production forecast for 2019 was 8.849 million bbls (pg. 2). Most regions reported waiting on the upcoming weather to determine if sizing and color will be on track. Oregon growers reported record-sized crops for the region.

Representatives from Bryant Christie Inc. updated the Committee on trade policy (pg. 4), MRLs (pg. 3) and international marketing (pg. 3). Export numbers are down compared to last year due to a variety of factors that were addressed in those presentations.

Terry Humfeld presented an update to the Committee on the Cranberry Institute's activities including work on a new cranberry water model, which the EPA has agreed to take a look at. The CI has also been active in the USDA's Dietary Guidelines Advisory Committee process, highlighting the well-researched health benefits of cranberries.

The Committee agreed to support CCCGA's participation in *Plymouth 400*, the 400th anniversary of the Mayflower voyage and the founding of Plymouth Colony. This series of events will be a good opportunity to promote cranberries to national and international audiences.



*2019 Summer Meeting materials and presentations can be downloaded at [uscranberries.com](http://uscranberries.com) > Web Resources > Annual Meeting Materials*

**SAVE  
THE  
DATE**

**CMC WINTER MEETING  
FEBRUARY 6 & 7, 2020  
RENAISSANCE AIRPORT HOTEL  
ORLANDO, FLORIDA**

**WE HAVE  
MOVED**

**2527 CRANBERRY HIGHWAY  
BUILDING B  
WAREHAM, MA 02571**

## USDA ANNOUNCES MFP CRANBERRY GROWER RELIEF PAYMENTS

In July, USDA announced direct cranberry grower payments under the Market Facilitation Program for tariff relief. The first step is for growers to fill out an application with USDA Farm Service Agency (FSA). Growers should call their local field office and schedule an appointment for filling out the required form for payment. A list of FSA offices as well as more information on this program is available online at [www.farmers.gov/manage/mfp](http://www.farmers.gov/manage/mfp).

- Payments will be made at a rate of \$0.03/lb on 21,371 lbs/acre, which equals \$641.13/acre.
- Acreage will be based on 2019 figures as per USDA FSA data.
- There is a payment limitation of \$250,000 per grower.
- Eligible growers need to have an annual AGI of \$900,000 or less; if 75% of your total AGI is farm related, then no limit applies.
- Payments will be broken into three installments with only the first guaranteed; subsequent payments made at the discretion of the USDA.
- The first payment will be 50% of a grower's total calculated payment and will be made starting in late August.
- All payments will be administered and made by USDA FSA.

This MFP payment program for cranberry growers is a result of a collaborative effort by members of the U.S. Cranberry industry, led by the grower associations of MA, NJ & WI. If you have any questions, please contact your local FSA office or your local grower organization.

## CMC BOARD OF DIRECTORS

*Term of office: August 1, 2018 - July 31, 2020*

### DISTRICT 1 (MA, RI, CT)

#### *Major Cooperative Members & Alternate*

Lawrence Harju (Member)

George Rogers (Member)

Adrienne Mollor (Alternate)

#### *Other Than Major Cooperative Members & Alternate*

James Rezendes (Member)

Dawn Gates-Allen (Member)

Parker Mauck (Alternate)

### DISTRICT 2 (NJ)

#### *Major Cooperative Members & Alternate*

Stephen Lee IV (Member)

Joseph Darlington (Alternate)

#### *Other Than Major Cooperative Members & Alternate*

Thomas Gerber (Alternate)

William R. Poinsett (Member)

### DISTRICT 3 (WI, MI, MN)

#### *Major Cooperative Members & Alternate*

David Bartling (Member)

Martin Potter (Member)

Jill Amundson (Alternate)

#### *Other Than Major Cooperative Members & Alternate*

Vicki Nemitz (Member)

Wayne Gardner (Member)

James Van Wychen (Alternate)

### DISTRICT 4 (OR, WA)

#### *Major Cooperative Members & Alternate*

Kevin Hatton (Member)

Jack Stein (Alternate)

#### *Other Than Major Cooperative Members & Alternate*

Ronald Puhl (Member)

Nicholas Puhl (Alternate)

### AT-LARGE MEMBER & ALTERNATE

Douglas Rifleman (Member)

Michael Viano (Alternate)

### PUBLIC MEMBER & ALTERNATE

Steven White, Ph.D. (Member)

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

### CMC ADMINISTRATIVE OFFICE

Michelle Hogan (Executive Director)

Karen Cahill (Communications & Marketing)

Dotty Pipher (Programs & Administrative Assistant)

## 2019 DOMESTIC PRODUCTION ESTIMATE

*1,000 Barrels*

MA Average	2,093
NJ Average	490
WI Average	5,536
OR Average	575
WA Average	155
<b>Total</b>	<b>8,849</b>

*Updated 8/19/2019*

## 2019 MARKETING POLICY (9/01/2019 - 8/31/2020)

**Estimated Carry-In (9/1/2019)** 5,888

### *Production & Acquired*

Estimated Domestic Production 8,849

Estimated Foreign Acquired 1,751

**Total Production & Acquisitions** 10,599

**Available Supply** 16,488

### *Estimated Shrinkage*

2% of Carry-in 118

4% Estimated Production/Acquisitions 424

Estimated Shrinkage 542

**Adjusted Supply** 15,946

### *Sales & Usage*

Fresh Fruit Sales 345

Processing Fruit Usage 9,606

**Total Sales/Usage** 9,951

**Estimated Adjusted Carry-Over** 5,995

**Inventory as a % of utilization** 57%

*Updated 8/19/2019*

## 2019-20 SUBCOMMITTEE UPDATES & ADDITIONS

At its August meeting, the CMC reviewed subcommittee lists. Jack Stein, Jill Amundson, Michael Haines, Adrienne Mollor and Alinne Oliveira were added to the MRL Subcommittee. Jake Gildan, Nick Decas and Butch Gardner were added to the Tariff Subcommittee.

The CMC currently conducts individual handler calls in lieu of an international marketing development subcommittee. Given the current trade climate, it was suggested that these calls be held at least twice a year.

A new subcommittee was formed to look into a possible assessment increase. Members are Dawn Gates-Allen, Larry Harju, an OS designee, Nick Decas, Tiffany Shockro, Steve Berlyn, and Jim Van Wychen. This group will compile questions for the Almond Board, who will present at the CMC's February meeting on their short-term assessment increase.

## 2019 INTERNATIONAL MARKETING: TRADE CLIMATE IMPACTS EXPORT OPPORTUNITIES

In 2019, retaliatory tariffs, an increasingly strict regulatory environment in China, and overall weaker global economic growth, have affected marketing and export opportunities for U.S. cranberries in the short-term. Nevertheless, the CMC is positioning the industry as well as possible to succeed in international markets. To this end, CMC is pleased to report that since the February meeting it has:

1. Completed the China Foreign Non-Governmental Organization (FNGO) registration process.
2. Conducted an evaluation of CMC's in-market rep in India.
3. Secured an additional \$2 million in Agricultural Trade Promotion (ATP) program funds.

Since mid-2018 and continuing through the first half of 2019, CMC has been limited in the scope and number of activities it was able to conduct in China due to the pending FNGO registration. Nevertheless, in 2019, CMC stayed as active as possible, participating in five major trade shows, conducting bakery trainings and cooking workshops, as well as participating in events hosted by others (such as a major ingredient supplier, the U.S. Meat Export Federation, and USDA's Agricultural Trade Offices in China), among other activities. With the FNGO hurdle now overcome, CMC is able to resume full-scale operations in China and has a range of planned activities for the remainder of 2019.

The India program, while newer and

smaller than China, will see increased funding over the next few years. Continuing to work towards CMC's core objectives of increasing consumer awareness of U.S. cranberries among trade and consumers, larger impact activities are planned for the market in the second half of the year.

Looking ahead, over the next few years, the international program will have an influx of resources, thanks to ATP funding. These new resources will allow CMC to publicize the results of the *h. pylori* clinical in China and India, as well as to deepen and expand its ongoing consumer public relations and trade relations activities in those markets.

We look forward to working with the industry to continue developing long-term export markets for U.S. cranberry products.

### INTERNATIONAL ACTIVITY CALENDAR

September	Cranberry Nights at Tailor Bar (Hangzhou)		Residential Welfare Assoc. Promotion (India)
	Guiyang In-store Promotion (China)	Sept. - Dec.	Festival Gift Development with All China Bakery Association
	Online/Offline Event with Quna (China)		Shanghai Health Science Tech. Assoc Forum
	Online Promotion with Douguo.com	October	Shanghai Dietitian Association Forum
	Health Benefits Seminars (China)		Bakery Cooking Class & Home Baker Promotion (India)
	Weibo Campaign with SINA Weibo	Oct. - Nov.	Cranberry Beverage Campaign (China)
	Online Promotion with Tencent (China)		QSP Shipment/Storage/Delivery (China)
Sept. 17-19	China Juice Conference (Guangzhou)	Oct. - Dec.	
Sept. 19-21	SIAL Food Exhibition (India)		
Sept. - Oct.	Trade Meetings (India)		

*A full international activity calendar is available at [uscranberries.com](http://uscranberries.com)*

## MRL UPDATE: THE EU'S STANCE ON CHEMICALS MAY BE TROUBLESOME IN THE FUTURE

Matt Lantz and Alinne Oliveira of Bryant Christie, Inc., provided an update at the August meeting on MRL and tariff issues facing the industry. Many industries and hundreds of countries are worried about the EU's stance on chemicals. When chemicals are flagged as a human health issue there is very little that can be done to keep the MRL. On the other hand, if the chemical is classified as an environmental issue, there is a better case to be made for keeping the MRL. The Committee agreed that being proactive and not reactive is the best course of action. BCI offered the following options:

1. Engage with registrants and see what the options are.
2. Stay informed by monitoring the review lists and using tools like a FRUCOM membership to stay on top of issues.

3. Stay involved with groups that have formed specifically to monitor these issues including the Minor Crop Farmer Alliance.

4. Conduct an economic study on the impact of removing certain chemicals.

The Bravo situation in the EU remains unchanged. This chemical has been flagged as a human health hazard and there is little chance of a reversal. Worst-case scenario is a November 2020 withdrawal, best-case scenario is a March 2021 withdrawal. It is important to note that whatever the date ends up being, product with the chemical cannot enter *as of that date*. It used to be that product from the existing crop year was grandfathered in, but that is no longer the case. BCI will continue to monitor this situation and the industry will have a six-month lead time

before the MRL is actually withdrawn.

It is unclear what the EU policy is for chemicals that are "expired." However, Indar is set to expire April 2021 and BCI knows this is an important chemical for the industry and will watch this activity closely.

Lorsban is expected to be in the same boat as Bravo and BCI wanted to give the industry as much of a warning as possible. Again, it is understood that this is an important chemical for the industry, but it is expected to be categorized as toxic, and there is little to be done once that classification occurs.

BCI received a TASC grant and quinclorac trials are underway to create a data package in support of keeping the MRL.

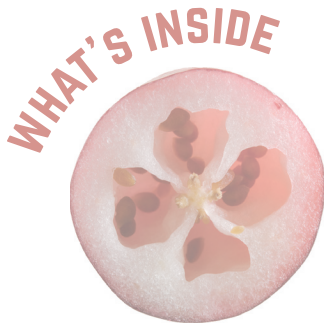
*All of BCI's presentations from the Summer Meeting can be found at [uscranberries.com](http://uscranberries.com) > Web Resources > Annual Meeting Materials*





2527 Cranberry Highway  
Building B  
Wareham, MA 02571

*Return Service Requested*



- 1 **MEETING RECAP & GROWER PAYMENTS**
- 2 **CY2019 ESTIMATES**
- 3 **MRL & INTERNATIONAL MARKETING UPDATES**

# September 2019 Cranberry News

## TRADE POLICY UPDATE FROM THE CMC'S BIENNIAL MEETING

Trade policy issues continue to impact the cranberry industry. One bit of good news in this area that was reported out at the Committee's August meeting was that the retaliatory tariffs in Mexico and Canada have been removed and as long as the USMCA goes through there is no expectation that they would return.

The duty suspension for concentrate in the EU is up for review this year, and will automatically renew unless specific objections are made. Thus far, no objections have been made and it is likely the concentrate duty-suspension will remain. Another tariff committee meeting is expected in November, and the industry will monitor those talks to ensure no surprises emerge. U.S. cranberry concentrate is still subject to a steel and aluminum retaliatory tariff however. Additionally, a 25% retaliatory tariff on dried cranberries will enter into force on June 1, 2021, if the WTO hasn't issued a determination on the dispute proceedings by then.

China increased its third tranche of tariffs on U.S. products on June 1, including an increase of existing tariffs on cranberry concentrate, frozen cranberries, and cranberry juice. China's existing 25% retaliatory tariff on dried cranberries was not altered. We will continue to monitor talks between China and the United States as we recognize this is a very important issue for the industry and directly impacts cranberry exports to one of the industry's target markets.

*An in-depth summary from Bryant Christie Inc., on trade policy issues impacting the cranberry industry can be found at [uscranberries.com](http://uscranberries.com) > Web Resources > Annual Meeting Materials.*

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