



October 2019 Cranberry News



CRANBERRY PRODUCTS INCLUDED IN LATEST ROUND OF CHINA TARIFFS IMPLEMENTED 9/1

On August 23, the Customs Tariff Commission of China’s State Council announced the decision to impose approximately \$75 billion in additional tariffs on the United States.

Beijing’s latest tariffs are in response to President Trump’s List 4 Trade Action of \$300 billion, which United States Trade

Representative (USTR) published on August 13.

Mirroring the roll out of U.S. tariffs, the Chinese tariffs were installed in two batches. Starting on September 1, tariffs of 5 and 10 percent affected 5,078 products *including cranberries*. Tariffs of 5 and 25 percent on U.S.-made vehicles and auto

parts will begin on December 15.

Although progress was made between the U.S. and China in early October, trade talks did not result in any Chinese tariffs being removed, including those Chinese tariffs on U.S. cranberries. The current tariff situation for U.S. cranberry exports to China is listed below.

HS Code	Description	China MFN Tariff Rate	U.S. Tariff Rate (prior to Sept. 1, inclusive of prior China tariffs)	China Proposed Additional Tariff	Total Tariff rate as of Sept. 1
2008.93	Dried Cranberries	15%	40%	10%	50%
81190.9	Frozen Cranberries	30%	70%	10%	80%
2202.1	Cranberry Juice Drinks	5%	25%	10%	35%
811.9	Fresh Cranberries	15%	55%	10%	65%
2009.81	Cranberry Concentrate	5%	15%	5%	20%

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

JAPAN TRADE AGREEMENT TO BENEFIT US CRANBERRY INDUSTRY

In early October, U.S. Trade Representative’s office released the text of the new US-Japan Trade Agreement. This agreement only covers agriculture issues and not all agriculture tariff lines were included in the agreement. Fortunately, significant cranberry tariff reductions were included.

When the agreement enters into force, the 11% Japanese tariff on U.S. sweetened dried cranberries will immediately fall to zero. Likewise, fresh cranberries will see the 6% Japanese tariff fall to zero. Cranberry concentrate will fall from 19.1% and 25.5% to 12.7% and 17% respectively once the agreement is enacted and will be zero on April 1, 2023.

While the general frozen tariff line (HS 0811.90.19) was included in the agreement and subject to immediate Japanese tariff elimination, it appears the majority of frozen cranberries to Japan are exported under a slightly different tariff line: HS 0811.90.130.0 (sweetened) and HS 0811.90.230.2 (unsweetened). These tariff lines were not included in the agreement. As a result, Japan’s main frozen cranberry tariffs of 9% for sweetened and 6% for unsweetened will not be subject to a tariff reduction as part of this agreement and will remain in place.

Because this is a limited agreement, it does not need U.S. Congressional approval. However, the Japanese Diet will need to approve the agreement.

It is expected that the tariff agreement will enter into force around January 1, 2020.

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

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Karen Cahill (Communications & Marketing)

Dotty Pipher (Programs & Administrative Assistant)

CI HIRES BILL FRANTZ AS EXECUTIVE DIRECTOR

The Cranberry Institute is pleased to announce that William "Bill" Frantz will be joining the Institute as its new Executive Director in November, CI Chairman of the Board Todd May announced. His hiring is the result of an extensive search process by the board of directors to replace current CI Executive Director Terry Humfeld who will retire at the end of the year. "We are excited that Bill will again be working for the cranberry industry and we believe that his expertise, professionalism, and enthusiasm for the industry will provide great value to our Institute members and their grower suppliers," said May.



Frantz has an extensive knowledge of agriculture and particularly cranberries, having spent over 30 years in the industry. He's represented the industry in Washington, D.C. before elected officials and regulatory agencies, such as USDA and EPA, on topics ranging from crop protection products to health and nutrition. He's also worked with the major U.S. and Canadian cranberry grower associations as well as the Cranberry Marketing Committee.

"I'm excited to be returning to the cranberry industry to represent an iconic industry that's widely admired and respected. I look forward to getting to work, building on Terry Humfeld's many contributions these past nine years, to help re-establish the cranberry industry as agriculture's preeminent specialty crop," said Frantz.

Frantz holds an MBA from Northeastern University in Boston, a M.S. in soil chemistry from Clemson University and a B.S. in Agronomy and Soils from Pennsylvania State University. He and his wife Cherie will be relocating to Massachusetts from Minneapolis, MN, where they've resided the last two years as Frantz worked in governance for Land O'Lakes, Inc.

The Cranberry Institute is a not-for-profit organization founded in 1951 to further the success of cranberry growers and the industry in the Americas through health, agricultural and environmental stewardship research as well as cranberry promotion and education. The Cranberry Institute is funded voluntarily by Supporting Members that handle, process, and sell cranberries. Supporting Members are represented in national and international regulatory matters and research efforts are done on their behalf. For more information about the Cranberry Institute, along with the health benefits of cranberries and current scientific research, visit www.CranberryInstitute.org.



FIVE-YEAR COMPARISON REPORT: FOURTH QUARTER NUMBERS INCLUDING CY2018

CY2018 fourth 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 August 31 of each year. A few general observations comparing the 2017 vs. 2018 Crop Years are as follows:

- Domestic production increased 6.89%.
- Foreign acquired increased 42.8%.
- Domestic sales decreased by 8.23%.
- International sales increased by 2.87%.
- Government purchases doubled.
- Ending inventory decreased by 13.7%.

	2014	2015	2016	2017	2018
Beginning Inventory					
Barrels Unfrozen:	0	0	0	0	0
Barrels in Freezers:	2,564,083	2,654,030	2,773,027	4,175,273	2,281,453
Barrels in Process Form:	1,903,560	1,834,928	2,024,414	1,842,736	2,016,816
Barrels in Concentrate Form:	3,041,141	3,182,138	3,508,002	3,727,372	2,586,624
Inventory Before Adjustments:	7,508,784	7,671,096	8,305,443	9,745,381	6,884,893
Adjustments:	-29,629	251,594	-14,375	-121,300	-394
Adjusted Beginning Inventory:	7,479,155	7,922,690	8,291,068	9,624,081	6,884,499
Sources					
Massachusetts, Rhode Island, Connecticut:	1,894,483	2,190,416	2,102,566	1,758,592	2,237,243
New Jersey:	570,842	438,289	575,192	422,830	447,592
Oregon:	492,649	546,949	379,458	474,359	544,464
Washington:	149,883	196,085	159,475	130,684	180,778
Wisconsin, Michigan, Minnesota:	4,923,580	4,687,177	6,040,837	5,335,325	5,271,545
Other states:	27,308	131	217	196	0
Total Domestic Acquired:	8,058,745	8,059,047	9,257,745	8,121,986	8,681,622
Foreign Acquired - Fresh:	70,446	70,420	86,119	86,617	76,013
Foreign Acquired - Processed:	1,776,010	1,742,388	1,972,466	1,255,110	1,928,564
Foreign Acquired - Concentrate:	1,067	9,728	61,609	75,605	19,831
Total Barrels Acquired:	9,906,268	9,881,583	11,377,939	9,539,318	10,706,030
Barrels in Transit:	48,006	-38,392	-113,707	54,880	109,983
Sales					
Domestic Sales - Fresh:	258,767	270,229	288,697	284,672	281,317
Domestic Sales - Processed:	5,731,964	5,771,674	5,831,624	6,971,734	5,231,102
Domestic Sales - Concentrate:	0	0	0	0	1,062,546
Sold to Government:	432,967	431,573	428,481	81,341	158,475
Total Domestic Sales:	6,423,698	6,473,476	6,548,802	7,337,747	6,733,440
Foreign Sales Fresh:	55,952	47,906	43,821	45,273	47,304
Foreign Sales Processed:	2,073,404	2,319,994	2,310,063	2,592,902	2,908,305
Foreign Sales Concentrate:	597,483	649,211	651,237	741,762	521,570
Total Sales:	9,150,537	9,490,587	9,553,923	10,717,684	10,210,619
Shrinkage:	611,795	-30,148	255,995	1,615,702	1,553,604
Total Sales & Shrinkage:	9,762,332	9,460,439	9,809,918	12,333,386	11,764,223
Ending Inventory					
Barrels Unfrozen:	0	0	0	0	0
Barrels in Freezers:	2,654,030	2,773,027	4,175,273	2,281,453	2,484,365
Barrels in Process Form:	1,834,928	2,024,414	1,842,736	2,016,816	1,671,832
Barrels in Concentrate Form:	3,182,138	3,508,002	3,727,372	2,586,624	1,780,092
Total Barrels in Inventory:	7,671,096	8,305,443	9,745,381	6,884,893	5,936,289



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Wareham, MA 02571

Return Service Requested

WHAT'S INSIDE



- 1 JAPAN & CHINA
TARIFF UPDATES
- 2 CI HIRES NEW ED
- 3 CY2018 Q4 NUMBERS

October 2019 Cranberry News

CRANBERRY SALSA DEMOS SPICE UP USDA FARMERS MARKET

CMC traveled to Washington, D.C., October 4 to participate in the VegU program that is part of the USDA's weekly Farmers Market. VegU is a popular fruit and vegetable education program launched at the USDA Farmers Market in 2016. Visitors receive a "VegU-cation" and learn how to grow, pick, prepare and store a different fruit or vegetable by attending short 10-minute classes in the VegU tent.

CMC hosted five different live demos on how to make fresh cranberry salsa, and provided various facts on cranberry harvest and the industry. More than 400 fresh cranberry salsa samples were given out to attendees and the feedback was overwhelmingly positive. Hundreds of other recipe cards were distributed and CMC also participated in a half-hour USDA radio interview.



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