



June 2020 Cranberry News

GLOBAL CRANBERRY MAXIMUM RESIDUE LEVEL UPDATES

Mancozeb Developments

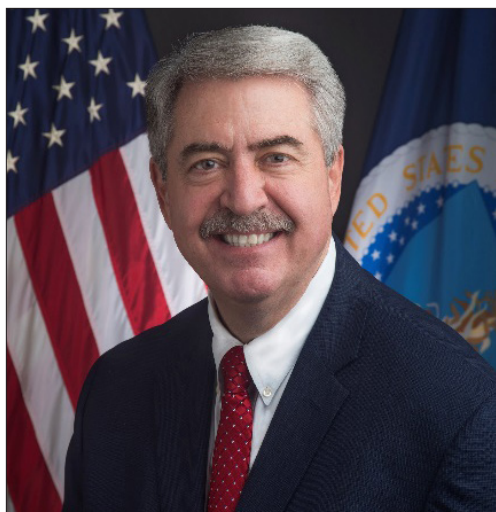
In April, the European Union announced to the World Trade Organization its proposal to withdrawal mancozeb from use in the EU due to concerns over its hazard-based properties. This announcement caused great concern for the U.S. cranberry industry as mancozeb is the primary replacement product for many growers for chlorothalonil, which the EU has already withdrawn. Although EU MRLs have not yet changed for either, they are expected to be lowered to 0.01 ppm in the coming years. The U.S. cranberry industry has had several calls on this issue and the Cranberry Institute submitted strongly worded comments in response to the WTO announcement. Industry leaders have also met with USTR and USDA on this issue, along with the head of the USDA office in the U.S. Mission in Brussels. The issue is also featured prominently in forthcoming Cranberry Institute comments to the International Trade Commission on the impact of missing MRLs (*see page 2*). Despite many commodity groups expressing their dismay over this proposed withdrawal of mancozeb, feedback received is that due to the EU's conservative pesticide policies, the withdrawal proposal is likely to advance.

Quinclorac Developments

In a positive development, Taiwan has recently announced its intension to establish a quinclorac MRL on cranberries. This will be the seventh market do to so using the cranberry industry's TASC-grant-generated data. Despite this good news, a quinclorac MRL in the EU remains challenging. Caroline Harris, the industry's technical reviewer, has assessed the prospects for an EU MRL with the original registrant, BASF, and has concluded the best option and quickest way to seek a quinclorac MRL in the EU is through the international Codex system. Quinclorac is already being reviewed at Codex for a canola MRL, and the cranberry industry's recent TASC data has addressed EU concerns over quinclorac on cranberry. We hope that by adding to the canola review, the EU will withdraw a previous
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As part of the CMC's partnership with Produce for Kids, a kid-friendly No-Bake Cranberry Pistachio Energy Bite recipe was developed this spring.



CMC & USDA UNDERSECRETARY FOR TRADE AFFAIRS

On Monday, May 11, USDA Undersecretary for Trade Affairs, Ted McKinney, requested a call with the CMC to better understand how COVID-19 is affecting the cranberry industry. He is doing similar calls with several cooperator groups.

BCI's Sarah Gelpi reported on how the cranberry industry has adjusted its international marketing programs in light of the coronavirus, focusing on online marketing over in-store promotions.

On the trade policy side, BCI's Matt Lantz reported how the cranberry industry as a whole is seeking to address several major tariff and MRL challenges, particularly in Europe, including the prospect for increasing tariffs on dried cranberries and a new announcement on the elimination of Mancozeb as a crop protection tool. (*see above and page 4*).

The discussion with Undersecretary McKinney and his staff was productive and the CMC appreciates his interest in the industry and the ongoing open communication between USDA and the cranberry industry.

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GLOBAL MAXIMUM RESIDUE LEVEL UPDATES CONTINUED

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reservation it issued to the Codex MRL. The next step is to speak to Codex and the reviewer to make sure they are comfortable reviewing the recently established cranberry data. If successful, the EU MRL would be in place in two years or so.

International Trade Commission Phase Two Submission

The ITC is conducting a major review of the impact of missing and low MRLs. In December, the CI submitted general comments for phase one of this study. That phase focused on MRL systems around the world. Phase two, whose comments are due on June 5, focus specifically on the economic impact of MRLs on U.S. industries. The CI, using information gathered from the industry and cooperating with the CMC, will submit information about how the cranberry industry has addressed MRLs and outline the costs of losing products like chlorothalonil and mancozeb.

CRANBERRIES & PRODUCE FOR KIDS PARTNERSHIP

With the goal of increasing cranberry awareness in consumers and registered dietitians, the CMC began its partnership with Produce for Kids in April. Produce for Kids is a philanthropically-based organization that brings the produce industry together to educate consumers about healthy eating with produce and raises funds for local children's non-profits.

As part of the partnership, several graphics were created featuring creative ways to use cranberry products. Between April and June, PFK shared a DIY Trail Mix, 6 Ways to Use Cranberry Sauce, 6 Ways to Use Dried Cranberries and 6 Ways to Use Frozen Cranberries graphics with their robust social media following (245,000 across Facebook, Instagram & Twitter). Additional initiatives include newsletter and podcast content, as well as recipe creation (*see page 1*).

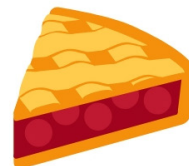
6 Ways to Use Frozen Cranberries



**TOSS IN A
MOCKTAIL**



**STIR INTO
BREADS**



**BAKE A
DESSERT**



**SERVE AS
A SALSA**



**ROAST WITH
VEGGIES**



**MAKE A BBQ
SAUCE**



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FIVE-YEAR COMPARISON REPORT: SECOND QUARTER NUMBERS INCLUDING CY2019

CY2019 second 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 April 30 of each year. A few general observations comparing the 2018 vs. 2019 data are as follows:

- Domestic sales increased 8.5%
- Foreign sales decreased by 8.2%
- Total ending inventory decreased 20%
- Shrinkage decreased 91% - representing fruit that was disposed of in 2018 due to volume regulation.

	2015	2016	2017	2018	2019
Beginning 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
Inventory Before Adjustments:	7,671,096	8,305,443	9,745,381	6,884,893	5,936,289
Adjustments:	43,952	-5,975	253,802	-267	5,821
Adjusted Beginning Inventory:	7,715,048	8,299,468	9,999,183	6,884,626	5,942,110
Sources					
Massachusetts, Rhode Island, Connecticut:	2,190,416	2,102,566	1,758,592	2,237,243	2,015,713
New Jersey:	438,289	575,192	422,830	447,592	447,723
Oregon:	546,073	379,458	474,359	544,464	515,038
Washington:	196,085	159,475	130,684	180,778	141,863
Wisconsin, Michigan, Minnesota:	4,687,177	6,040,837	5,335,325	5,271,545	4,485,133
Other states:	131	217	196	0	0
Total Domestic Acquired:	8,058,171	9,257,745	8,121,986	8,681,622	7,605,470
Foreign Acquired - Fresh:	70,420	86,119	86,617	76,013	75,156
Foreign Acquired - Processed:	1,707,220	1,922,084	1,187,445	1,837,957	1,252,032
Foreign Acquired - Concentrate:	9,728	27,052	70,796	11,835	47,742
Total Barrels Acquired:	9,845,539	11,293,000	9,466,844	10,607,427	8,980,400
Barrels in Transit:	1,397	-77,222	14,822	87,959	98,216
Sales					
Domestic Sales - Fresh:	270,229	288,697	284,672	281,317	281,392
Domestic Sales - Processed:	4,085,997	4,061,229	4,389,241	3,612,966	4,015,257
Domestic Sales - Concentrate:	0	0	0	712,680	713,585
Sold to Government:	414,215	343,280	71,599	45,847	37,588
Total Domestic Sales:	4,770,441	4,693,206	4,745,512	4,652,810	5,047,822
Foreign Sales Fresh:	47,906	43,821	45,273	47,304	49,572
Foreign Sales Processed:	1,610,816	1,577,749	1,894,604	2,139,613	1,747,439
Foreign Sales Concentrate:	398,966	390,442	354,389	269,413	457,738
Total Sales:	6,828,129	6,705,218	7,039,778	7,109,140	7,302,571
Shrinkage:	40,595	123,821	389,908	924,495	85,587
Total Sales & Shrinkage:	6,868,724	6,829,039	7,429,686	8,033,635	7,388,158
Ending Inventory					
Barrels Unfrozen:	0	758	0	0	0
Barrels in Freezers:	5,110,324	6,901,820	5,422,649	5,696,057	4,241,704
Barrels in Process Form:	2,018,119	1,959,327	2,460,504	1,434,689	984,605
Barrels in Concentrate Form:	3,564,817	3,824,301	4,168,010	2,415,631	2,406,259
Total Barrels in Inventory:	10,693,260	12,686,206	12,051,163	9,546,377	7,632,568



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Wareham, MA 02571

Return Service Requested



2 MRL UPDATE CONT.

3 Q2 SUMMARY REPORT

June 2020

Cranberry News

SPRING 2020 CRANBERRY INDUSTRY TRADE POLICY UPDATE

U.S.-UK FTA Talks

The United States and the UK are working on a free trade agreement. The cranberry industry is seeking the complete elimination of all cranberry tariffs in the UK (including any tariffs carried over from the EU) in these talks. The industry also wants the UK to follow a risk-based approach when considering MRLs, like the U.S. and the rest of the world does, not the hazard-based approach like the EU. Talks are moving fast with a goal of an announcement by the end of 2020.

EU Cranberry Tariffs

The cranberry industry is also carefully watching the dried cranberry tariff in the EU. Currently, most dried cranberries can enter duty-free due to a duty suspension, but there is a 25% tariff in place in the EU that has not yet been implemented. When announced in 2018 in response to the Trump Administration's steel and aluminum tariffs, the EU decided to not apply the tariff to dried cranberries for three years due to an outcry from domestic producers in the EU. A 25% tariff on concentrate was implemented, and as a result, exports have fallen significantly. In the meantime, dried cranberry exports to the EU have grown and remain strong. The new tariff threatens to come into effect in June 2021 (or even earlier if there is a World Trade Organization ruling) unless the suspension is further extended or the U.S. steel and aluminum tariffs are removed. In response, the cranberry industry is discussing approaching cranberry importers in the EU again to make the case to extend the suspension further.

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