



# November 2021 Cranberry News

## UPDATE ON GLOBAL TARIFF & TRADE ISSUES IMPACTING THE U.S. CRANBERRY INDUSTRY

### European Union

The U.S. and Europe Union have reached an agreement that addresses a three-year steel and aluminum dispute. As part of the agreement, the *EU agreed to not implement a proposed 25% tariff on U.S. dried cranberries and to suspend the current 25% tariff on U.S. cranberry concentrate.*

In 2018, the U.S. imposed steel and aluminum tariffs on several countries including the European Union. On June 1, 2018, the EU responded with its own set of tariffs on U.S. products including U.S. motorcycles, distilled spirits, citrus, and cranberries.

The EU originally recommended a 25% tariff on both concentrate and dried cranberries, but as a result of domestic EU pressure, only imposed the concentrate tariff and suspended the 25% dried tariff for three years in the hopes an agreement could be

reached. In late May 2021, an additional six months to resolve the issue was negotiated. If no agreement was reached, the EU dried cranberry tariff would go into effect on December 1, 2021. The U.S. currently exports \$73 million worth of dried cranberries to the EU annually. The EU is the largest export market for U.S. dried cranberries.

When imposed, the impact of the 25% tariff on U.S. concentrate was immediate and large. In 2017, the year before the tariff went into effect, the U.S. exported \$41 million worth of concentrate to the EU. In 2020, the U.S. only exported \$5.5 million, a drop of over 600%. Presumably, had the dried cranberry tariff been imposed, a similar drop would have occurred. Both Canada and Chile can enter the EU duty-free for these products through EU Free Trade Agreements.

This new agreement avoids

the worst-case scenario of a 25% tariff on dried cranberries and will address the concentrate tariff. Exact details of when the concentrate tariff will be removed are not clear, but most think it will be on January 1, 2022.

Throughout this process, the Cranberry Marketing Committee has tracked this issue and informed industry groups of developments. U.S. cranberry organizations have weighed in, when appropriate, with the U.S. government on the importance of resolving this issue.

### UK Duty Suspension

The United Kingdom continues to review applications for import duty suspensions that were made earlier this year, including those submitted for U.S. cranberry products. This review follows a consultation earlier this year as the UK government looks to establish its own independent duty suspension system, similar to

that it enacted in the European Union.

U.S. cranberry industry officials continue to track this process with the assistance of embassy officials in London. While this review continues, existing UK duty suspensions remain in place on dried cranberries for further processing, cranberry concentrate, and frozen cranberries.

### UK Tariffs

Industry officials are also tracking the UK's review of its current steel and aluminum tariffs, which includes a 25 percent tariff on cranberry concentrate. The UK initiated a wholesale review of these tariffs in May 2020 and outlined proposals to alter the U.S. products targeted and remove its tariffs on cranberry concentrate. The final outcome of this review has yet to be announced. In correspondence with the Embassy in London,

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*Healthy Family Project created two new cranberry recipes and videos for CMC: Cranberry Stuffing With Vegan Sausage (pictured above) and Slow Cooker Cranberry Meatballs (page 2).*

## PROGRESS WITH KOREAN MRLS

Korea continues to review import tolerance applications and prepare for the full implementation of their MRL national positive list system at the end of this year. As part of this transition, Korea has either established permanent MRLs or revoked provisional MRLs that are not registered for domestic use. In the most recent MRL notification from Korea (G/SPS/N/KOR/740) they have established a priority cranberry MRL, difenoconazole (Quadris Top). The Korean MRL for this fungicide is harmonized with the U.S. MRL (0.6 ppm).

## CMC BOARD OF DIRECTORS

August 1, 2020 - July 31, 2022

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Karen Cahill, *Marketing Director*

Dotty Pipher, *Senior Executive Assistant*

## CRANBERRY TARIFF & TRADE POLICY ISSUE UPDATE


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U.S. officials indicated that an announcement may come later this year.

### *China Tariff Waiver*

Cranberry importers in China can still take advantage of the Chinese domestic exemption system to avoid Chinese tariffs on U.S. cranberry products.

On a call with the U.S. Embassy in Beijing, BCI, on behalf of the U.S. cranberry industry, asked about the status of the tariff waiver process. Embassy officials noted that importers continue to receive tariff waivers from the Chinese Government and encouraged U.S. industry to engage in this process through contacts in China. Successful tariff waiver applications would reduce total Chinese tariffs on U.S. cranberry products by a range of 12.5 to 30 percent, depending on the product category. The longer-term status of the China tariff waiver process is unclear.



## 2021 ANC FOOD & NUTRITION CONFERENCE & EXPO

In August 2020, the Committee approved a CMC presence at the Academy of Nutrition and Dietetics 2021 Food & Nutrition Conference & Expo (FNCE) - the world’s largest meeting of food and nutrition experts: registered dietitian nutritionists, nutrition science researchers, policymakers, healthcare providers and industry leaders. FNCE 2021 took place virtually and the Cranberry Institute sponsored a booth representing the cranberry industry and showcasing the latest in cranberry and gut health research.

In lieu of the CMC having a competing virtual booth, the Committee decided to work with the CI to sponsor an Expo Theater Event as part of the conference. These 30-minute pre-recorded events are available on-demand to attendees during and after the conference. The presentation by Dr. Amy Howell titled, “Could Daily Cranberry Consumption Contribute to *Helicobacter pylori* Suppression?” resulted in 797 attendees for the recorded presentation, 463 post-event survey submissions, and 8 highly-engaged attendees for the post-event live Q&A.

Overall, FNCE had 10,800 attendees from 65 countries. CI had more than 3,000 visitors to its virtual booth, nearly 1,000 group chat posts and distributed 4,500 educational handouts.

# FIVE-YEAR COMPARISON REPORT: FOURTH QUARTER NUMBERS INCLUDING CY2019

CY2020 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](http://www.uscranberries.com). The chart below represents data from September 1 to August 31 of each year. A few general observations comparing the 2019 vs. 2020 data are as follows:

- Domestic production increased 1.67%
- Foreign acquired increased 22.74%
- Sales increased domestically .6% and decreased internationally 12.6%
- Government purchases increased 11.8%
- Shrink increased 127%
- Total ending inventories decreased 8%

	2016	2017	2018	2019	2020
<b>Beginning Inventory</b>					
Barrels Unfrozen:	0	0	0	0	0
Barrels in Freezers:	2,773,027	4,175,273	2,281,453	2,484,365	1,726,311
Barrels in Process Form:	2,024,414	1,842,736	2,016,816	1,671,832	1,020,448
Barrels in Concentrate Form:	3,508,002	3,727,372	2,586,624	1,780,092	2,017,370
Inventory Before Adjustments:	8,305,443	9,745,381	6,884,893	5,936,289	4,764,129
Adjustments:	-14,375	-121,300	-394	3,483	-6,094
<b>Adjusted Beginning Inventory:</b>	<b>8,291,068</b>	<b>9,624,081</b>	<b>6,884,499</b>	<b>5,939,772</b>	<b>4,758,035</b>
<b>Sources</b>					
Massachusetts, Rhode Island, Connecticut:	2,102,566	1,758,592	2,237,243	2,015,713	1,876,891
New Jersey:	575,192	422,830	447,592	447,723	513,801
Oregon:	379,458	474,359	544,464	515,038	546,251
Washington:	159,475	130,684	180,778	141,863	185,686
Wisconsin, Michigan, Minnesota:	6,040,837	5,335,325	5,271,545	4,485,133	4,609,882
Other states:	217	196	0	0	0
Total Domestic Acquired:	9,257,745	8,121,986	8,681,622	7,605,470	7,732,511
Foreign Acquired - Fresh:	86,119	86,617	76,013	75,156	41,704
Foreign Acquired - Processed:	1,972,466	1,255,110	1,928,564	1,456,933	1,874,222
Foreign Acquired - Concentrate:	61,609	75,605	19,831	50,491	26,606
<b>Total Barrels Acquired:</b>	<b>11,377,939</b>	<b>9,539,318</b>	<b>10,706,030</b>	<b>9,188,050</b>	<b>9,675,043</b>
Barrels in Transit:	-113,707	54,880	109,983	132,195	160,727
<b>Sales</b>					
Domestic Sales - Fresh:	288,697	284,672	281,317	281,392	285,814
Domestic Sales - Processed:	5,831,624	6,971,734	5,231,102	5,757,329	5,780,760
Domestic Sales - Concentrate:	0	0	1,062,546	1,009,778	1,044,290
Sold to Government:	428,481	81,341	158,475	46,688	52,188
Total Domestic Sales:	6,548,802	7,337,747	6,733,440	7,095,187	7,163,052
Foreign Sales Fresh:	43,821	45,273	47,304	49,572	42,788
Foreign Sales Processed:	2,310,063	2,592,902	2,908,305	2,513,216	1,891,295
Foreign Sales Concentrate:	651,237	741,762	521,570	740,401	912,136
Total Sales:	9,553,923	10,717,684	10,210,619	10,398,376	10,009,271
Shrinkage:	255,995	1,615,702	1,553,604	97,512	221,324
<b>Total Sales &amp; Shrinkage:</b>	<b>9,809,918</b>	<b>12,333,386</b>	<b>11,764,223</b>	<b>10,495,888</b>	<b>10,230,595</b>
<b>Ending Inventory</b>					
Barrels Unfrozen:	0	0	0	0	0
Barrels in Freezers:	4,175,273	2,281,453	2,484,365	1,726,311	1,797,297
Barrels in Process Form:	1,842,736	2,016,816	1,671,832	1,020,448	957,262
Barrels in Concentrate Form:	3,727,372	2,586,624	1,780,092	2,017,370	1,608,651
<b>Total Barrels in Inventory:</b>	<b>9,745,381</b>	<b>6,884,893</b>	<b>5,936,289</b>	<b>4,764,129</b>	<b>4,363,210</b>



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Wareham, MA 02571

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3 Q4 SUMMARY REPORT

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## CHINESE NUTRITION SOCIETY PROMOTION REACHES 2.5 MILLION

On September 17, CMC sponsored a Chinese Nutrition Society (CNS) online health and nutrition lecture on the topic of “Maintaining a Sound Diet”, a themed event in support of National Science Popularization Day and which aimed to promote leading a healthy lifestyle across China.

He Li, Director of the National Center for Clinical Medicine of Digestive Diseases, delivered a presentation during the round table discussion.

Li shared a detailed case study of cranberry juice and *H. pylori* suppression and elaborated on the health benefits of cranberries.

Fan Zhihong, Deputy Director of the Food and Cooking Nutrition Branch of CNS, performed a cooking demonstration on how to make ‘Steamed Buns with Cranberries and Walnuts’ and ‘Cranberry Yogurt’ using dried cranberries and cranberry juice.

The entire lecture was live streamed and reached more than 2.59 million impressions.



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