

# August 2021 Cranberry News

## CRANBERRY MARKETING COMMITTEE HOSTS PRODUCTIVE 2021 HYBRID SUMMER MEETING

CMC hosted a hybrid annual summer meeting August 9 and 10, 2021, with approximately 40 people opting to attend in person in Minneapolis and the rest participating virtually via Zoom webinar.

During the afternoon of Monday, August 9, the Committee held a strategic planning session led by Dave Williams and Sean Martin of Volition Partners (pg. 7).

Tuesday's all-day meeting had condensed updates on a variety of topics covered in more depth in pre-recorded presentations and meeting book materials, all of which can be accessed on the CMC's

website: [www.uscranberries.com](http://www.uscranberries.com).

George Rogers presented the CY20 third quarter production and sales numbers (pg. 6). The Committee also went through its process of estimating CY21 U.S. production, which is expected to total 8,135,000 bbls. See page 2 for the full 2021-2022 Marketing Policy.

Karen Cahill presented an update on Domestic Marketing activities since the February meeting, which included a three-part partnership with Healthy Family Project, a virtual exhibit at SNA ANC, and an opportunity to partner with the Cranberry Institute to expand the industry's presence at FNCE 2021.

Matt Lantz, Alinne Oliviera and Adam Hollowell from BCI addressed key MRL, tariff and trade policy issues (pg. 3).

Sarah Gelpi-Hooker and Shelby Sackett of BCI updated the Committee on how the global pandemic has impacted the international marketing programs in China and India (pg. 5) and potential use of rollover funds.

The Officers Committee walked through four new policies for discussion and consideration: hybrid meetings, RFPs, email voting and subcommittees.

Louise Pollock presented a report on the domestic *H. pylori* media program, which has produced 53 quality placements and more than 311 million impressions.

Finally, the Committee approved spending for two health research studies (pg. 1) and was briefed on the formation of a new group that could help secure funding for horticultural research (pg. 4).



*To download meeting materials, including recorded presentations, visit [uscranberries.com](http://uscranberries.com) and scroll down to Web Resources*

## EXECUTIVE DIRECTOR MICHELLE HOGAN RETIRING IN DEC.

After 32 years of dedicated service to the cranberry industry, Michelle Hogan has announced her retirement effective December 31, 2021. While this was not a decision that was made lightly, Michelle is very much looking forward to spending more quality time in Florida with her family.

Michelle began her career in the cranberry industry in 1989, splitting time between the Cape Cod Cranberry Growers Association, the Cranberry Institute and the Cranberry Marketing Committee. Over the course of more than three decades, she has held a variety of positions at the CMC, culminating in a 2015 appointment as executive director.

Michelle's outstanding stewardship of the CMC is marked by a strong commitment to the interests of growers, handlers, industry stakeholders and staff. Those who have interacted with Michelle know that her sense of fairness, honesty and dedication will leave a lasting positive impact on the cranberry industry.

Michelle will leave behind experienced and capable staff members who are well-positioned to carry on the important work of the CMC. Please join the Committee and staff in wishing Michelle happiness as she enters this next exciting chapter of her life.

The CMC's Officers Committee has begun the search for its next executive director and will keep industry members informed on its progress.



# CRANBERRY MARKETING COMMITTEE 2021 CROP YEAR ESTIMATE

## 2021 Domestic Cranberry Production Estimate Updated 8/10/2021

|  | 1,000 barrels |
|--|---------------|
| Massachusetts                            | 1,969         |
| New Jersey                               | 534           |
| Wisconsin                                | 4,920         |
| Oregon                                   | 520           |
| Washington                               | 173           |
| <b>2021 Domestic Production Estimate</b> | <b>8,135</b>  |

*\*rounded to the nearest whole number*

## 2021 Crop Year Marketing Policy (9/01/2021 - 8/31/2022) Updated 8/10/2021

|           | 1,000 Barrels                                    |               |   |
|-----------|--|---------------|---|
| <b>1</b>  | <b>Estimated Carry-In</b>                        | <b>4,468</b>  | → From 'Total Available Supply and Sales', may be adjusted based on Committee input |
|           | <i>Production &amp; Acquired</i>                 |               |   |
| <b>2</b>  | <b>Estimated Domestic Production</b>             | <b>8,135</b>  | → From Committee estimates  |
| <b>3</b>  | <b>Estimated Foreign Acquired</b>                | <b>1,583</b>  | → From Committee estimates  |
| <b>4</b>  | <b>Total Production &amp; Acquisitions (2+3)</b> | <b>9,717</b>  | → Sum of Estimated Domestic Production and Estimated Foreign Acquired               |
| <b>5</b>  | <b>Available Supply (1+4)</b>                    | <b>14,186</b> | → Sum of Total Production & Acquisitions and Estimated Carry-in                     |
|           | <i>Estimated Shrinkage</i>                       |               |   |
| <b>6</b>  | <b>2% of Carry-in (1)</b>                        | <b>89</b>     | → 2% of Estimated Carry-In  |
| <b>7</b>  | <b>4% Estimated Production/Acquisitions (4)</b>  | <b>390</b>    | → 4% of Total Production & Acquisitions   |
| <b>8</b>  | <b>Estimated Shrinkage (6+7)</b>                 | <b>478</b>    | → Sum of Estimated Carry-in Shrinkage and Estimated Total Production & Acquisitions |
| <b>9</b>  | <b>Adjusted Supply (5-8)</b>                     | <b>13,708</b> | → Estimated Shrinkage deducted from Available Supply                                |
|           | <i>Sales &amp; Usage</i>                         |               |   |
| <b>10</b> | <b>Fresh Fruit Sales</b>                         | <b>331</b>    | → From Committee estimates  |
| <b>11</b> | <b>Processing Fruit Usage</b>                    | <b>9,866</b>  | → From Committee estimates  |
| <b>12</b> | <b>Total Sales/Usage (10+11)</b>                 | <b>10,197</b> | → Sum of Fresh Fruit Sales and Processing Fruit Usage                               |
| <b>13</b> | <b>Estimated Adjusted Carry-Over</b>             | <b>3,511</b>  | → Total Sales/Usage deducted from Adjusted Supply                                   |
| <b>14</b> | <b>Inventory as a % of sales</b>                 | <b>33%</b>    |   |

## KOREA MAXIMUM RESIDUE LEVEL UPDATES

As of January 1, 2022, all temporary Korean MRLs will be withdrawn and only the permanent national Korean MRLs will apply. If no Korean MRL exists, a 0.01 ppm default tolerance will apply.

In 2018, the CMC MRL Subcommittee identified the priority substances to pursue import tolerances in Korea. BCI has worked to seek these MRLs in Korea by approaching the Korean government and registrants and working with Caroline Harris at Exponent UK. As a result, nine new cranberry MRLs have been established.

As of July 9, 2021, there are 24 cranberry MRLs that have either been established or the Korean default level is acceptable, two cranberry MRLs have been proposed (cyantraniliprole and glyphosate), and three import tolerance applications have been submitted and are undergoing reviews. In total, there remain 28 temporary cranberry MRLs that will be removed December 31, 2021 if a permanent MRL is not established by then. These MRLs have been raised with the CMC MRL Subcommittee and many are either not considered important or do not exhibit residues.

BCI spoke to the U.S. Embassy in Seoul at the beginning of July for an update on the MRL transition. The Korean government will proceed with the implementation of the new MRL system as scheduled. No extensions to temporary MRLs are expected at this time. The Embassy also stated that there are no changes expected in the pesticide residue monitoring policy in the new year. Korea's residue testing includes a list of 511 substances that imports may be randomly tested for, as well as a multi-residue testing list with 65 substances that are part of the regular testing regime. A proposed change to the latter list—from 65 to 69 substances—was announced April 2021 and is expected to be implemented by the new year.

*Download the full summer meeting MRL and Trade Policy reports at [uscranberries.com](http://uscranberries.com) > Web Resources > Annual Meeting Materials*

## UNITED KINGDOM'S PESTICIDE & MRL REGULATION

The UK is in the process of establishing its own regulatory review systems and standards, which will only apply to Great Britain (England, Wales, and Scotland) and not to Northern Ireland, which will continue to follow EU regulations.

The basics of the Great Britain MRL system are:

- All substances approved for use in the EU as of January 1, 2021 have been brought into the GB system and will remain valid until GB carries out its own review.
- GB's pesticide review program continues to be developed. Meanwhile, all substance approvals that are due to expire before December 2023, will be automatically extended for three years to allow time to plan and implement the GB review program.
- From now on, any EU pesticide (non) approval/(non)renewal related changes will not be applicable to GB.
- A MRL review program should be established within three years. Therefore, no MRL reviews are expected in the near future, unless they are required. For example, new import tolerance applications or new Codex MRL considerations might result in new GB MRLs.

Of particular note to the U.S. cranberry industry: *mancozeb will continue to be approved for use in Great Britain and the relevant mancozeb MRLs will remain for at least the next three years.*

## EUROPEAN UNION CRANBERRY MAXIMUM RESIDUE LEVEL UPDATES

| Pesticide Use in the European Union |                                 |             |                                       |                         | MRL                        |  |
|-------------------------------------|---------------------------------|-------------|---------------------------------------|-------------------------|----------------------------|--|
| Active Ingredient                   | TBT notification of non-renewal | Non-Renewal | Grace Period                          | MRL withdrawal proposed | MRL Withdrawal implemented | Actual MRL withdrawn (end transition period) |
| Chlorothalonil (Bravo)              | Dec-18                          | 30-Apr-19   | <b>20-Nov-19</b><br>Max: May 20, 20   | 15-Jul-20               | 10-Feb-21                  | 2-Sep-21                                     |
| Chlorpyrifos (Lorsban)              | Oct-19                          | 13-Jan-20   | <b>16-Feb-20</b><br>Max: April 16, 20 | 12-Dec-19               | 23-Jul-20                  | 13-Nov-20                                    |
| Mancozeb (Manzate)                  | Apr-20                          | Dec-20      | <b>04-July-21</b><br>Max: Jan 4, 22   | Feb-22*                 | Jul-22                     | Jan-23<br>(+ beyond)                         |
| Phosmet (Imidan)                    | Mar-21                          | Oct-21      | Jul-22                                | Art. 12 review in 2022  |                            |  |

Article 12 MRL Review underway, EFSA opinion expected in December 2021. Blue dates are tentative scenarios

## NATIONAL CRANBERRY RESEARCH INITIATIVE

### CMC BOARD OF DIRECTORS

August 1, 2020 - July 31, 2022

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

*Major Cooperative*

Adrienne Mollor (Member)

George Rogers (Member, Immed. Past Chair)

Eric Pontiff (Alternate)

*Other Than Major Cooperative*

Parker Mauck (Member, Chair)

Dawn Gates-Allen (Member, Secy./Treasurer)

James Rezendes (Alternate)

#### DISTRICT 2 (NJ)

*Major Cooperative*

Stephen Lee IV (Member, Vice-Chair)

John “Mike” Haines (Alternate)

*Other Than Major Cooperative*

Thomas Gerber (Member)

William R. Poinsett (Alternate)

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

*Major Cooperative*

Jill Amundson (Member)

Douglas Rifleman (Member)

David Bartling (Alternate)

*Other Than Major Cooperative*

Suzanne Arendt (Member)

Wayne “Butch” Gardner (Member)

Vicki Nemitz (Alternate)

#### DISTRICT 4 (OR, WA)

*Major Cooperative*

Kevin Hatton (Member)

Jack Stein (Alternate)

*Other Than Major Cooperative*

Nicholas Puhl (Member)

Martin “Ty” Vincent (Alternate)

#### AT-LARGE

Andreas Welsch (Member)

#### PUBLIC

Steven White, Ph.D. (Member)

Thomas O’Guinn, Ph.D. (Alternate)

#### CMC OFFICE STAFF

Michelle Hogan, *Executive Director*

Karen Cahill, *Marketing Director*

Dotty Pipher, *Senior Executive Assistant*

At its summer meeting, CMC members were briefed on the formation of the National Cranberry Research Committee (NCRC), a unique national collaboration that could facilitate cranberry researchers receiving funding from outside sources such as USDA’s Specialty Crop Research Initiative (SCRI), the National Institute of Food and Agriculture (NIFA), and other nationally focused grant programs.

This new, grower-led group would identify common research objectives; solicit and evaluate research projects; and support the submission of a limited number of nationally supported proposals to funding agencies.

The core values of NCRC include:

- **U.S. Cranberry Grower Success** - We are here to support the success of U.S. cranberry growers through the development of sound science that will lead to adoption of best practices to ensure our ability to produce a high-quality crop in a sustainable manner.
- **Grower Directed Research** – We strongly believe that research programs need to be developed in a partnership between growers and researchers in a comprehensive manner.
- **Collaboration and Partnership** - We will cultivate collaborative relationships at the national and regional level. Our partners will include growers, researchers, handlers, and industry members.
- **Development of Sound Science** – We agree that projects supported by this partnership will demonstrate sound scientific principles and will be conducted by qualified researchers at credible institutions within the United States.

The CMC’s executive director has been involved with some of the planning and discussions surrounding the formation of the NCRC. Details on how the CMC could support this group still need to be worked out, but Committee members agreed that this is an important initiative for the industry.



# INTERNATIONAL MARKETING SHOWING PROGRESS DESPITE GLOBAL PANDEMIC IMPACT

Exports of U.S. cranberries increased 24% in the 2019-2020 season, totaling a record 3.06 million barrels. Positive growth is expected to continue for 2020-2021, with current projections estimating a 2% overall increase in exports.

In 2021, CMC continues to concentrate its market development work in the high-potential markets of China and India. In China, in-market representation has been reengaging with trade in-person, thanks to the return of major trade shows and events. So far this year, CMC has made 359 new trade contacts and generated 18 vetted trade leads. Product innovation has been particularly impressive in China, with 300 new cranberry products introduced in 2020, and 123 new cranberry products already launched in 2021.

The U.S. cranberry industry is concerned with Chinese domestic production of fresh cranberries and processing of imported Canadian cranberries. According to data from China representatives of U.S. handlers, approximately 400 containers of Canadian frozen cranberries were exported to China in 2020 to produce dried cranberries. This is a situation that CMC will monitor closely in partnership with in-market representatives, handlers, and USDA's ATO in China.

COVID-19 continued to affect the availability, distribution, and purchases of U.S. cranberries through the beginning of 2021. Thus, 2020-2021 exports to China are currently projected to decrease by 35% to 123,496 barrels.

Similarly, 2020-2021 exports to India are projected to decrease to 7,023 barrels after India became the epicenter of the pandemic due to a brutal second wave of COVID-19 infections in the spring. As a result, CMC paused almost all of its planned 2021 activities in the market. However,

| CMC Five Year Export Data Overview              |                  |                  |                  |                  |                  |                      |                   |
|---|------------------|------------------|------------------|------------------|------------------|----------------------|-------------------|
|   | 2016-17          | 2017-18          | 2018-19          | 2019-20          | 2020-21          | % Change (Past Year) | % Change (5-year) |
| <b>Target Markets</b>                           |                  |                  |                  |                  |                  |                      |                   |
| China   | 194,848          | 184,094          | 82,117           | 191,118          | 123,496          | -35%                 | -37%              |
| India   | 1,259            | 4,032            | 5,907            | 16,059           | 7,023            | -56%                 | 458%              |
| <b>Top 10 Export Markets (Based on 2020-21)</b> |                  |                  |                  |                  |                  |                      |                   |
| Pan Europe                                      | 947,869          | 1,147,292        | 884,660          | 1,106,259        | 1,120,839        | 1%                   | 18%               |
| Germany   | 319,421          | 370,468          | 265,388          | 347,805          | 327,965          | -6%                  | 3%                |
| France  | 129,326          | 158,806          | 99,253           | 154,667          | 177,425          | 15%                  | 37%               |
| Poland  | 182,995          | 242,724          | 163,925          | 140,135          | 126,367          | -10%                 | -31%              |
| Other Europe                                    | 316,128          | 375,294          | 356,094          | 463,652          | 489,082          | 5%                   | 55%               |
| Canada  | 493,121          | 446,579          | 201,778          | 419,267          | 512,433          | 22%                  | 4%                |
| United Kingdom                                  | 413,502          | 397,926          | 288,320          | 364,780          | 415,000          | 14%                  | 0%                |
| Mexico  | 170,273          | 165,787          | 291,215          | 265,443          | 228,407          | -14%                 | 34%               |
| Australia                                       | 109,872          | 100,091          | 105,681          | 120,663          | 114,510          | -5%                  | 4%                |
| Korea   | 77,126           | 53,289           | 74,043           | 54,351           | 76,064           | 40%                  | -1%               |
| Chile   | 3,377            | 24,501           | 11,719           | 8,082            | 71,828           | 789%                 | 2027%             |
| Taiwan  | 68,500           | 50,620           | 55,338           | 58,838           | 60,891           | 3%                   | -11%              |
| Israel  | 60,335           | 15,708           | 66,371           | 43,703           | 51,169           | 17%                  | -15%              |
| Russia  | 19,446           | 65,159           | 41,827           | 56,002           | 46,925           | -16%                 | 141%              |
| <b>Grand Total</b>                              | <b>2,869,369</b> | <b>3,033,607</b> | <b>2,473,875</b> | <b>3,062,225</b> | <b>3,121,681</b> | <b>2%</b>            | <b>9%</b>         |

\*Aggregate figures from annual CMC summer export survey

India continues to be a high-potential market that has grown by 458% during the last five years. CMC resumed its planned marketing promotions and activities in July, which could support increased 2020-2021 exports during the final months of the fiscal year.

CMC continues to globally promote the results from the *H. pylori* clinical study released last year to health professionals and health-conscious consumers. CMC organized a live broadcast on World Digestive Health Day in May, in partnership with a major Chinese health multimedia platform, that generated more than 1 million views. CMC published four advertorials in three major health magazines in India with a combined readership of more than 307,000 health industry members. CMC also hosted a series of webinars on gut health and *H. pylori* with the India Dietetic Association (IDA), which was attended by more than 470 dietitians, nutritionists, and medical students.

Due to COVID-19-related impacts, there is some remaining budget from the 2020 Branded program that CMC was able to successfully roll over into this 2021 program year. Fortunately, these funds can be leveraged towards generic efforts to make the remaining programming for this year more robust. This is especially helpful as COVID-19 improves in both China and India and CMC can resume paused activities with additional momentum.

At its summer meeting, the Committee voted to allocate some of these rollover funds to conducting exploratory market development work in one or more of the following areas: Russia, South America (Brazil, Colombia, Argentina), and Southeast Asia (Thailand, Vietnam, Indonesia, Malaysia, Singapore).

Download the full summer meeting International Marketing reports at [uscranberries.com](http://uscranberries.com) > Web Resources > Annual Meeting Materials

## UPCOMING INTERNATIONAL ACTIVITY CALENDAR

### September

- Metro Cash & Carry and Reliance Smart Retail Promotions (India)
- Cranberry Beverage Promotion with BreadTalk & HeyYo (Guangzhou, Shenzhen, Foshan, Dongguan, China)
- Digital Promotions (India)
- Amazon E-Commerce Promotions (India)
- In-store Promotions (India)

### October

- Indian Ice Cream Congress and Expo (IICE) (Hyderabad, India)
- Cranberry Consumer Campaign with Heytea (China)
- Online Promotion with Bilibili (China)
- Small Burst TV (India)
- Flipkart E-Commerce Promotions (India)

A full international activity calendar is available at [uscranberries.com](http://uscranberries.com) > Industry > Global Marketing

## FIVE-YEAR COMPARISON REPORT: THIRD QUARTER NUMBERS INCLUDING CY2020

CY2020 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](http://www.uscranberries.com). The chart below represents data from September 1 to June 30 of each year. A few general observations comparing the 2019 and 2020 crop years are as follows:

- Domestic Sales down 0.80%
- Export sales down 15%, primarily in processed form
- Foreign fruit acquired increased 27.4%
- Shrinkage increased 98.4%
- Carry-over inventory decreased 5%

|   | 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:                              | -14,336           | -118,244          | -267              | 5,821            | -6,094           |
| <b>Adjusted Beginning Inventory:</b>      | <b>8,291,107</b>  | <b>9,627,137</b>  | <b>6,884,626</b>  | <b>5,942,110</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:             | 1,971,681         | 1,234,559         | 1,877,252         | 1,368,298        | 1,861,576        |
| Foreign Acquired - Concentrate:           | 42,496            | 72,413            | 12,635            | 50,491           | 10,317           |
| <b>Total Barrels Acquired:</b>            | <b>11,358,041</b> | <b>9,515,575</b>  | <b>10,647,522</b> | <b>9,099,415</b> | <b>9,646,108</b> |
| Barrels in Transit:                       | -93,641           | 93,557            | 29,976            | 135,746          | 136,425          |
| <b>Sales</b>                              |                   |                   |                   |                  |                  |
| Domestic Sales - Fresh:                   | 288,697           | 284,672           | 281,317           | 281,392          | 285,814          |
| Domestic Sales - Processed:               | 5,083,929         | 6,020,964         | 4,469,075         | 4,992,036        | 4,953,328        |
| Domestic Sales - Concentrate:             | 0                 | 0                 | 910,371           | 892,132          | 878,289          |
| Sold to Government:                       | 381,536           | 76,581            | 105,973           | 42,908           | 41,403           |
| Total Domestic Sales:                     | 5,754,162         | 6,382,217         | 5,766,736         | 6,208,468        | 6,158,834        |
| Foreign Sales Fresh:                      | 43,821            | 45,273            | 47,304            | 49,572           | 42,788           |
| Foreign Sales Processed:                  | 1,960,433         | 2,333,359         | 2,574,651         | 2,138,604        | 1,528,179        |
| Foreign Sales Concentrate:                | 571,314           | 604,636           | 389,649           | 586,660          | 785,019          |
| Total Sales:                              | 8,329,730         | 9,365,485         | 8,778,340         | 8,983,304        | 8,514,820        |
| Shrinkage:                                | 197,247           | 1,103,895         | 1,016,667         | 132,077          | 262,014          |
| <b>Total Sales &amp; Shrinkage:</b>       | <b>8,526,977</b>  | <b>10,469,380</b> | <b>9,795,007</b>  | <b>9,115,381</b> | <b>8,776,834</b> |
| <b>Ending Inventory</b>                   |                   |                   |                   |                  |                  |
| Barrels Unfrozen:                         | 0                 | 0                 | 0                 | 0                | 0                |
| Barrels in Freezers:                      | 5,594,101         | 3,705,889         | 3,978,331         | 2,819,366        | 3,133,572        |
| Barrels in Process Form:                  | 1,624,685         | 2,014,947         | 1,766,570         | 1,049,880        | 865,033          |
| Barrels in Concentrate Form:              | 3,809,743         | 3,046,053         | 2,022,216         | 2,192,644        | 1,765,129        |
| <b>Total Barrels in Inventory:</b>        | <b>11,028,529</b> | <b>8,766,889</b>  | <b>7,767,117</b>  | <b>6,061,890</b> | <b>5,763,734</b> |

# CMC CONTINUES ITS LONG-RANGE STRATEGIC PLANNING PROCESS AT SUMMER MEETING

At its annual summer meeting, the Cranberry Marketing Committee held a half-day strategic planning session led by Dave Williams and Sean Martin of Volition Partners.

Volition had previously kicked off CMC's long-range strategic planning process in the spring with a Phase 1 research and discovery phase that included: review of relevant reports and materials, a quantitative survey of industry members, and small group interviews with Committee and industry members.

In late July, Volition provided the Committee with its Phase 1 findings and recommendations for the future. Volition's key industry-wide conclusions from Phase 1 included:

- The U.S. Cranberry industry faces long-term, structural economic headwinds due to chronic demand/supply imbalance.
- In the long run, international bog expansion and horticultural improvements in the U.S. are likely to further erode pricing and profitability without material growth in demand.
- Anemic growth in demand over the past 10+ years is not a given. There is clear evidence of potential growth opportunities in the U.S. and abroad.

- All industry constituents stand to benefit from better coordination and cooperation, and recognize that the status quo isn't serving the industry as well as it could be.

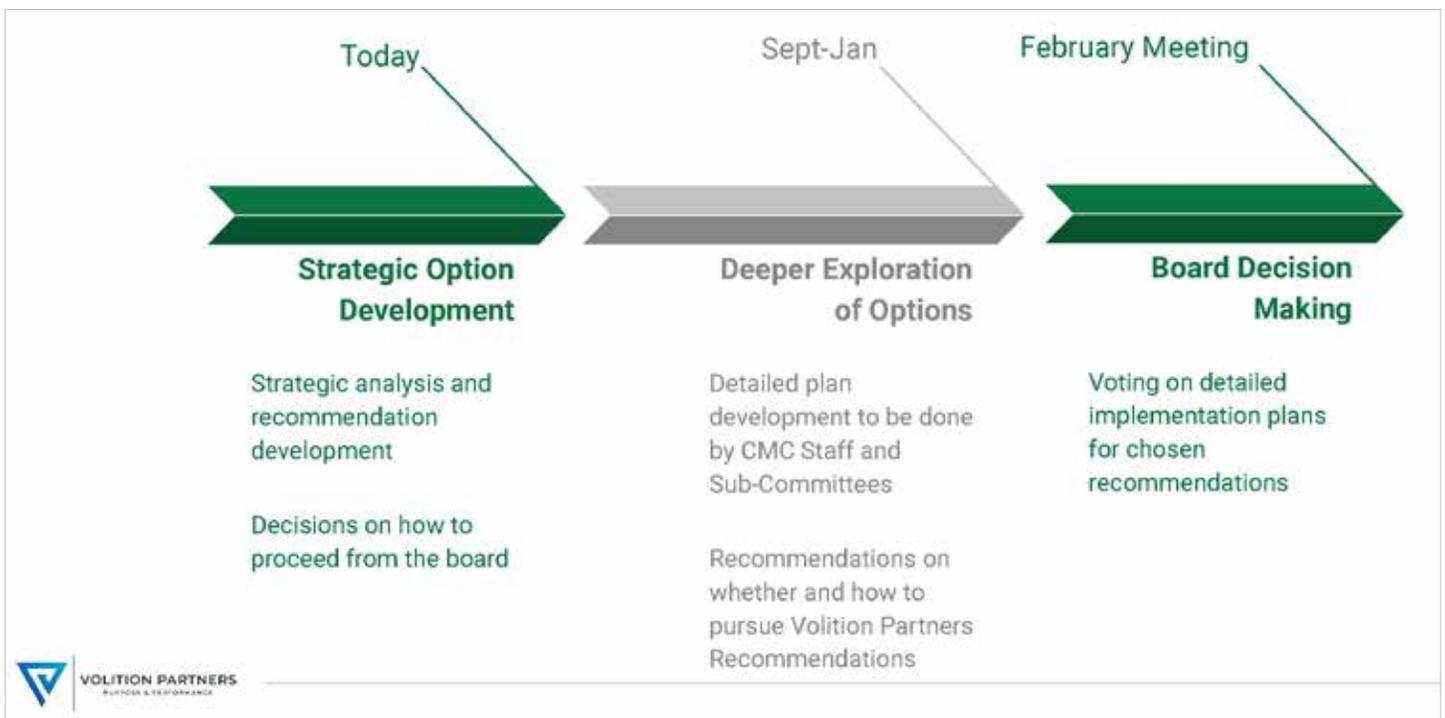
Volition's key Phase 1 conclusions specific to the CMC included:

- Most members believe the CMC is the best positioned organization to help mitigate the supply/demand imbalances at an industry level - in theory.
- Lack of strategic clarity has hampered the effectiveness of the CMC.
- As currently focused, organized, and funded, the CMC is not able to meet all of its demands sufficiently.
- There is a clear and timely opportunity to improve the role and impact of the CMC, IF industry constituents agree to unite behind it.
- There remains today, strong disagreement among members about the future role and scope of the CMC.

The purpose of the August 9 session was to flesh out some of the recommendations and determine next steps on certain key issues. Committee members were presented with the following discussion points to consider:

1. Do we want to explore an expanded industry effort in driving demand at a category level in the U.S. and/or globally? Is the CMC the right industry organization through which to pursue this question more deeply?
2. Do we want to explore improved data collection at an industry level? Is the CMC the right industry organization through which to pursue this question more deeply?
3. Do we want to explore realigning roles of the CI and CMC to focus the CI on academic and regulatory issues (research, government relations etc), and the CMC on the purely economic supply and demand issues?
4. Are there other proposals that members of the committee would like to put forward for consideration today?

At the conclusion of the planning session, the Committee was in agreement that the first three items above need more clarification and definition. It was decided that the Strategic Planning Working Group would tackle the task of creating subcommittees to delve deeper into each area. The subcommittees will gather pertinent information and report back to the full Committee with recommendations.





2527 Cranberry Highway  
 Building B  
 Wareham, MA 02571

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August 2021

# Cranberry News

## COMMITTEE AGREES TO FUND TWO HEALTH RESEARCH STUDIES

At its annual summer meeting, Cranberry Marketing Committee members voted to allocate \$299,000 to fund two research studies that were brought to the Committee by the Cranberry Institute and had been vetted by the Scientific Advisory Board, the Health Advisory Committee, as well as the CMC’s Health Review Subcommittee.

Principal Investigator Nathalie Tufenkji’s study, *Antibiotic Potentiation by Cranberry Bioactives Against Drug Resistant Uropathogenic E coli*, will assess the potentiating activity of a commercial cranberry product on eight clinically relevant antibiotics against a panel of 30 drug resistant and partially resistant UPEC isolates. The project will include pilot infection studies of the common fruit fly host model to demonstrate the *in vivo* efficacy of the cranberry product to alleviate antibiotic resistance. This research will provide insights into health benefits of cranberry consumption that are readily communicable to end users and could lead to pre-clinical studies.

Principal investigator Dr. Ana Rodriguez-Mateos’s study, *Modulation of the gut brain axis by cranberries impact on university students’ mental health The CRANMOOD study*, will investigate whether cranberry consumption can improve gut microbiome diversity and composition, leading to a decrease in stress levels, anxiety and depression symptoms, and improvement in cognitive function. Findings from this work will provide insight into the relationship between cranberry consumption and mood disorders.

- 2 ESTIMATES & MARKETING POLICY
- 3 MRL UPDATE
- 4 NATIONAL CRANBERRY RESEARCH INITIATIVE
- 5 INTERNATIONAL MARKETING
- 6 Q3 SUMMARY REPORT
- 7 STRATEGIC PLAN