



September 2020
Cranberry News



CRANBERRY MARKETING COMMITTEE HOSTS 2020 ANNUAL SUMMER MEETING VIRTUALLY

Due to concerns associated with gathering in person during a global pandemic, more than 70 cranberry industry members gathered virtually via a Zoom webinar for the CMC’s annual summer meeting August 11, 2020. The condensed meeting (just three hours long) included brief presentations of agenda items and corresponding question-and-answer periods.

Dr. Amy Howell updated the Committee on the acceptance of the H. pylori clinical study in a tier 1 international journal, the Journal of Gastroenterology and Hepatology (see

front cover).

Parker Mauck presented the U.S. CY19 third quarter production and sales numbers (pg. 6). The Committee also went through its process of estimating 2020 U.S. production, which is expected to total 8,754,000 bbls. See page 2 for the full 2020-2021 Marketing Policy.

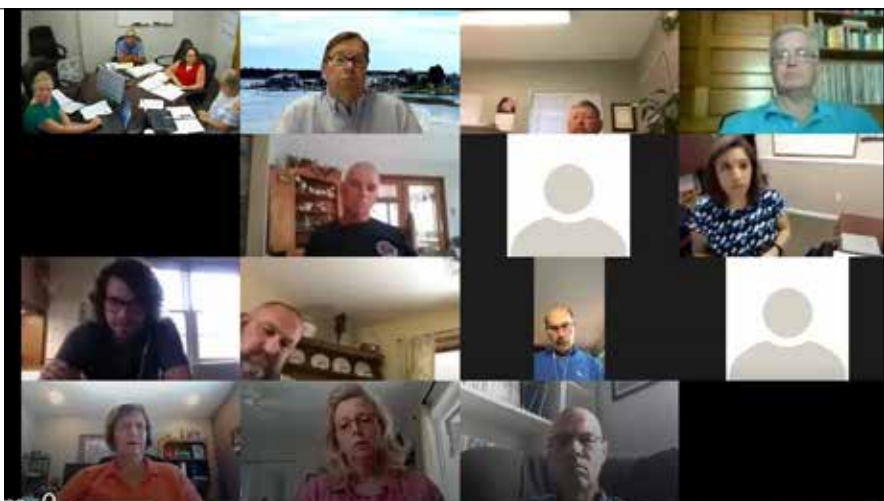
Karen Cahill presented the Domestic Marketing Subcommittee’s recommendation for the 2020-2021 program year, which the board later voted to pursue (pg.4).

Matt Lantz of BCI went over what he considers to be the four biggest

international issues facing the cranberry industry at the moment: EU MRLs, dried cranberry tariffs in Europe, the UK leaving the EU, and Chinese tariffs (pg. 3).

Sarah Gelpi-Hooker updated the Committee on how the global pandemic has impacted the international marketing programs in China and India. (pg. 5).

To download August 2020 Meeting materials, including recorded presentations, visit uscranberries.com and scroll down to Web Resources



COMMITTEE WELCOMES NEW SLATE OF MEMBERS, RECOGNIZES OUTGOING MEMBERS

At its annual summer meeting, the CMC sat a new slate of members who began their two-year terms on August 1, 2020.

New to the board this term are: Eric Pontiff (District 1 - Co-Operative Alternate Member), Mike Haines (District 2 - Co-Operative Alternate Member), Suzanne Arendt (District 3 - Independent Member),

Ty Vincent (District 4 - Independent Member), and Andreas Welsch (At-Large Voting Member).

At the summer meeting, the Chair recognized outgoing CMC members and thanked them for their service (more than 100 collective years!) to the cranberry industry: Larry Harju

(District 1 Co-operative Member since 2004), Joe Darlington (District 2 Co-operative Member since 1990), Martin Potter (District 3 Co-operative Member since 1984), Jim Van Wychen (District 3 Independent Member since 2006), and Ron Puhl (District 4 Independent Member for several terms since 2004).

CRANBERRY MARKETING COMMITTEE 2020 CROP YEAR ESTIMATE

2020 Domestic Cranberry Production Estimate Updated 8/11/2020

	1,000 barrels
Massachusetts	2,041
New Jersey	500
Wisconsin	5,564
Oregon	495
Washington	153
2020 Domestic Production Estimate	8,754*

**rounded to the nearest whole number*

2020 Crop Year Marketing Policy (9/01/2020 - 8/31/2021) Updated 8/11/2020

		1,000 Barrels	
1	Estimated Carry-In	4,600	→ From 'Total Available Supply and Sales'; may be adjusted based on Committee input
	<i>Production & Acquired</i>		
2	Estimated Domestic Production	8,754	→ From Committee estimates
3	Estimated Foreign Acquired	1,708	→ From Committee estimates
4	Total Production & Acquisitions (2+3)	10,461	→ Sum of Estimated Domestic Production and Estimated Foreign Acquired
5	Available Supply (1+4)	15,061	→ Sum of Total Production & Acquisitions and Estimated Carry-in
	<i>Estimated Shrinkage</i>		
6	2% of Carry-in (1)	92	→ 2% of Estimated Carry-In
7	4% Estimated Production/Acquisitions (4)	418	→ 4% of Total Production & Acquisitions
8	Estimated Shrinkage (6+7)	350	→ Sum of Estimated Carry-in Shrinkage and Estimated Total Production & Acquisitions
9	Adjusted Supply (5-8)	14,711	→ Estimated Shrinkage deducted from Available Supply
	<i>Sales & Usage</i>		
10	Fresh Fruit Sales	331	→ From Committee estimates
11	Processing Fruit Usage	10,085	→ From Committee estimates
12	Total Sales/Usage (10+11)	10,416	→ Sum of Fresh Fruit Sales and Processing Fruit Usage
13	Estimated Adjusted Carry-Over	4,296	→ Total Sales/Usage deducted from Adjusted Supply
14	Inventory as a % of sales	40%	

EUROPEAN UNION PROPOSED MANCOZEB WITHDRAWAL

On April 17, the European Union notified the World Trade Organization (WTO) of its intention not to renew the approval of mancozeb for use within its territory. Multiple concerns were raised during the review, including the classification of mancozeb as toxic for reproduction category 1B (a human health issue).

This announcement caused great concern in the cranberry industry. Mancozeb was a primary replacement for chlorothalonil (Bravo) which had been officially withdrawn from use in the EU the year previously. The loss of mancozeb will have a significant impact on the ability of growers to produce high quality cranberries destined for Europe. After several industry calls, the cranberry industry submitted comments officially both to USDA and directly to the European Commission through the World Trade Organization comment option on the impact the loss of a mancozeb MRL would have on the industry. Industry officials met with senior United States Trade Representative (USTR) and USDA leaders to express their concern. The US Mission to the EU was also notified of this issue. Other industries also demonstrated their concern over the issue, and groups from as far away as Ghana's cocoa farmers weighed in.

Despite all of this effort and explanation of the potential impact of the EU's decision, most experts believe the European Commission will go ahead and authorize the removal of mancozeb from use in the EU and eventually the elimination of associated MRLs.

It is believed that the Standing Committee on Plants, Animals, Food and Feed (PAFF) voted on the adoption of the proposed non-renewal during its meeting July 16 and 17. BCI will confirm when meeting documents are made available.

Based on previous European changes, it is expected that the earliest mancozeb MRLs could be removed is January 2022, if the European Commission allows for a six-month transition period.

This issue featured prominently in the Cranberry Institute submission to the International Trade Commission (ITC) for their report on how MRLs are affecting

US agriculture. The submission estimated that this EU action will cost the industry millions of dollars immediately and tens of millions over the next five years. This information was also shared in an interview conducted by the ITC with the cranberry industry on this issue.

It is important to note that, as a representative of CMC, the BCI team is prohibited from lobbying or influencing foreign governments in any way. However, BCI works closely with the Cranberry Institute and other industry groups on these issues and has an extensive tracking process, which allows communication with industry well in advance of most MRL removals. BCI also works directly with registrants to do what they can to try to keep important MRLs in place.



Download the full summer meeting MRL and Trade Policy reports at uscranberries.com > Web Resources > Annual Meeting Materials

POTENTIAL IMPACT OF EU CUT-OFF CRITERIA

Below is a special note on active ingredients with cranberry labels that have not been renewed or were proposed for non-renewal in 2018-2020 and may have MRLs withdrawn in 2020-2021.

- **Indoxacarb** (Avaunt): proposed non-renewal due to high risk to honeybees and potentially bioaccumulative and toxic.
- **Mancozeb** (Manzate): proposed non-renewal in April 2020 due to classification as toxic for reproduction category 1B.
- **Methoxyfenozide** (Intrepid): renewal limited to greenhouse use.
- **Chlorothalonil** (Bravo): non-renewal based on carcinogenic properties, genotoxicity concerns, and other environmental concerns.
- **Chlorpyrifos** (Lorsban): non-renewal based on genotoxic potential, and classification of the substance as toxic for reproduction.
- **Imidacloprid** (Admire): approval restricted to permanent greenhouse use due to high risk to bees.
- **Thiamethoxam** (Actara): approval restricted to permanent greenhouse use due to high risk to bees.
- **Malathion**: approval restricted to permanent greenhouses use based on high risk to birds. No US label.
- **Propiconazole** (Tilt): non-renewal based on health concerns.

In situations where the concern is environmental and not on human health, there is the chance that import tolerance MRLs will be allowed. BCI is working with the cranberry industry in any such circumstances to argue that the existing MRLs should be maintained. BCI has reached out to the registrants for these compounds regarding the possibilities of import tolerance applications.

CMC BOARD OF DIRECTORS

August 1, 2020 - July 31, 2022

DISTRICT 1 (MA, RI, CT)

Major Cooperative

Adrienne Mollor (Member)

George Rogers (Member)

Eric Pontiff (Alternate)

Other Than Major Cooperative

Parker Mauck (Member)

Dawn Gates-Allen (Member)

James Rezendes (Alternate)

DISTRICT 2 (NJ)

Major Cooperative

Stephen Lee IV (Member)

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)

Christopher O’Connor (Alternate)

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*



2020-2021 DOMESTIC MARKETING PLAN APPROVED

With in-person events canceled or postponed due to COVID-19, and the uncertainty of when things will be back to “normal,” the Domestic Marketing Subcommittee’s (DMS) recommendation for the 2020-2021 program year was to develop a digital-heavy program. The recommended program takes advantage of consumer trends happening during this pandemic – more time spent online, more online grocery shopping, and an increased focus on health and wellness.

The 2020-2021 program will feature a two-month-long targeted digital marketing campaign through *Amazon*, with the ability to tie campaign results directly to online sales. This program has been scheduled to begin in late September and includes a bonus \$20,000 worth of impressions as a result of a brand new initiative from Amazon for first-time advertisers.

CMC will also continue its digital activities with *Produce for Kids*, 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.

Although there is an emphasis on digital marketing, the recommendation for 2020-2021 also includes two in-person exhibiting opportunities: School Nutrition Association’s 2021 Annual National Conference (*SNA ANC*) and The Academy of Nutrition and Dietetics’ 2021 Food & Nutrition Conference & Expo (*FNCE*). The CMC has been exhibiting at SNA ANC since 2014 and the Committee has historically expressed an interest in maintaining generic cranberry promotion at this event, providing education and toolkits to school foodservice professionals. Additionally, FNCE is nearly double the size of SNA ANC and features a broad and important registered dietitian audience.

An upcoming retail partnership in Weis Supermarkets is part of the previously approved 2019-2020 domestic plan and will kick off at the beginning of September.

SUBCOMMITTEES FORMED AT SUMMER MEETING

At the CMC’s annual summer meeting, a new Officers Committee was elected: Parker Mauck (Chair), Steven Lee IV (Vice Chair), Dawn Gates-Allen (Secretary/Treasurer), and George Rogers (Outgoing Chair).

Additionally, a new Nominating Committee was created to handle the task of nominating future Officers Committee slates. This group will also tackle the process of recommending candidates for the public member position, which is typically selected at the winter meeting immediately following a new membership term.

If any industry members would like to participate in one of the following subcommittees, please contact Michelle Hogan or Parker Mauck.

- MRL
- Domestic Marketing
- Government Purchases
- Tariff
- Supply/Demand
- Health Review
- Nominating
- Data Collection
- Assessment
- RFP Review
- Increase Review

INTERNATIONAL MARKETING SHOWING PROGRESS DESPITE GLOBAL PANDEMIC IMPACT

In the 2019-20 crop year, global U.S. cranberry exports were on the rebound, reaching 2.9 million 100-lb. barrels. This represents **growth of 19% from 2018-19**. Notably, cranberry exports to China, Pan Europe, the United Kingdom, and Australia all experienced strong growth.

In 2020, CMC continued its market development work in the high-potential markets of China and India. In 2019, consumer awareness of U.S. cranberry availability and cranberry health benefits reached an all-time high, demonstrating the continued success of CMC’s marketing program. Exports in the 2019-20 crop year bounced back thanks to CMC being as active as possible in the market, and the ability for tariff exemptions provided under Phase I of the U.S.-China trade deal. These waivers have benefited both importers and the U.S. cranberry industry, and have helped contribute to a **70% increase in exports from 2018-19 to 2019-20, totaling approximately 140,000 100-lb. barrel equivalents**.

Despite the outbreak of COVID-19 in China, CMC leaned into planned digital advertising and social media activities. Thus far, in 2020, activities have included influencer engagements, recipe promotions, and digital advertising campaigns. Further, the implementation of a yearlong partnership with a key opinion leader, Yu Fei, is providing ongoing visibility for cranberry beverage applications. This year more than ever, cranberries in liquid form have been a focus of CMC’s marketing. A similar slate of robust activities is planned for the remainder of 2020 and will include a high-visibility activation with prominent

CMC Five Year Export Data Overview							
	2015-16	2016-17	2017-18	2018-19	2019-20	% Change (Past Year)	% Change (5-year)
Target Markets							
China	128,319	194,848	184,094	82,117	139,285	70%	9%
India	2,322	1,259	4,032	5,907	4,443	-25%	91%
Top 10 Export Markets (Based on 2019-20)							
Pan Europe	1,009,212	947,869	1,147,292	884,660	1,021,333	15%	1%
Germany	375,009	319,421	370,468	265,388	318,940	20%	-15%
France	147,754	182,995	242,724	163,925	143,989	-12%	-3%
Poland	116,073	129,326	158,806	99,253	150,742	52%	30%
Other Europe	363,782	316,128	375,294	356,094	407,663	14%	12%
Canada	475,361	493,121	446,579	201,778	430,063	113%	-10%
United Kingdom	399,577	413,502	397,926	288,320	326,977	13%	-18%
Mexico	151,756	170,273	165,787	291,215	273,107	-6%	80%
Australia	113,841	109,872	100,091	105,681	122,416	16%	8%
Malaysia	4,033	3,191	6,208	52,095	60,019	15%	1388%
Russia	21,288	19,446	65,159	41,827	58,172	39%	173%
Korea	58,473	77,126	53,289	74,043	55,655	-25%	-5%
Japan	25,799	31,881	38,891	26,525	44,928	69%	74%
Hong Kong	28,137	29,191	10,697	54,541	40,939	-25%	45%
Grand Total	2,777,908	2,869,369	3,033,607	2,473,875	2,937,304	19%	6%

*Aggregate figures from annual CMC summer export survey

tea chains, in addition to menu promotions, further key opinion leader engagement, and retail promotions.

Meanwhile, in India, cranberry awareness and exports are continuing to develop in the third year of CMC’s full-scale marketing program. In working 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 2020. In the first half of the year, CMC worked with its new in-market representative to adapt activity plans in light of stringent lockdowns in the country due to the COVID-19 outbreak. As India continues to reopen, CMC’s program is shifting into high gear. CMC recently launched e-commerce promotions on sites such as Amazon India and Big Basket, a digital advertising campaign, and a food influencer collaboration. These activities will continue through the remainder of

the year, and the program will be further boosted through a collaboration with a popular Indian snack food manufacturer, traditional retail promotions, and culinary training sessions. As these activities take place, CMC’s new in-market representative continues to update, and involve, the trade to strengthen relationships and keep U.S. cranberries top-of-mind.

In 2020, additional resources were devoted to the international program thanks to funding provided through the Agricultural Trade Promotion (ATP) Program. This additional funding will also allow CMC to thoroughly publicize the results of the H. pylori clinical study in China and India. Over the next several years, the international program will continue to have an influx of resources thanks to ATP funding, and CMC will expand its ongoing consumer public relations and trade relations activities in its target markets.

UPCOMING INTERNATIONAL ACTIVITY CALENDAR

September

- SIAL Trade Show (China)
- 2020 China Fruit and Vegetable Juice Industry Summit
- Cranberry Menu Promotion with Element Fresh (China)
- Cranberry Concentrate/Puree Beer Partnership (China)
- Health Benefits Promotion with Nutrition Associations (China)
- In-Store Retail Promotions (India)
- Advertising and Consumer PR (India)

October

- Ice Cream China Trade Show (China)
- Cranberry Beverage Promotion with Hey_Yo (China)
- Food & Beverage Manufacturing Technology Summit (China)
- In-store Promotion in Guizhou Province (China)
- Cranberry Menu Promotion (China)
- Celebrity Engagement (China)
- E-Commerce Promotions (India)
- Bakery Promotions (India)
- Health Professional Engagement (India)
- Culinary Training Workshops (India)

A full international activity calendar is available at uscranberries.com > Industry > Global Marketing

FIVE-YEAR COMPARISON REPORT: THIRD QUARTER NUMBERS INCLUDING CY2019

CY2019 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. The chart below represents data from September 1 to June 30 of each year. A few general observations comparing the 2018 vs. 2019 Crop Years are as follows:

- Domestic sales increased by 7.66%.
- Export sales decreased by 7.86%.
- Government purchases decreased by 59.5%.
- Foreign fruit acquired decreased by 24%.
- Shrinkage decreased by 87%.
- Carry-over inventory decreased by 22%.

	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:	62,455	-14,336	-118,244	-267	5,821
Adjusted Beginning Inventory:	7,733,551	8,291,107	9,627,137	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:	1,713,877	1,971,681	1,234,559	1,877,252	1,368,298
Foreign Acquired - Concentrate:	9,728	42,496	72,413	12,635	50,491
Total Barrels Acquired:	9,852,196	11,358,041	9,515,575	10,647,522	9,099,415
Barrels in Transit:	-19,662	-93,641	93,557	29,976	135,746
Sales					
Domestic Sales - Fresh:	270,229	288,697	284,672	281,317	281,392
Domestic Sales - Processed:	4,998,806	5,083,929	6,020,964	4,469,075	4,992,036
Domestic Sales - Concentrate:	0	0	0	910,371	892,132
Sold to Government:	419,715	381,536	76,581	105,973	42,908
Total Domestic Sales:	5,688,750	5,754,162	6,382,217	5,766,736	6,208,468
Foreign Sales Fresh:	47,906	43,821	45,273	47,304	49,572
Foreign Sales Processed:	2,016,717	1,960,433	2,333,359	2,574,651	2,138,604
Foreign Sales Concentrate:	530,589	571,314	604,636	389,649	586,660
Total Sales:	8,283,962	8,329,730	9,365,485	8,778,340	8,983,304
Shrinkage:	-18,447	197,247	1,103,895	1,016,667	132,077
Total Sales & Shrinkage:	8,265,515	8,526,977	10,469,380	9,795,007	9,115,381
Ending Inventory					
Barrels Unfrozen:	0	0	0	0	0
Barrels in Freezers:	3,892,491	5,594,101	3,705,889	3,978,331	2,819,366
Barrels in Process Form:	1,693,208	1,624,685	2,014,947	1,766,570	1,049,880
Barrels in Concentrate Form:	3,714,872	3,809,743	3,046,053	2,022,216	2,192,644
Total Barrels in Inventory:	9,300,571	11,028,529	8,766,889	7,767,117	6,061,890

CRANBERRY CLINICAL TRIAL GARNERS ATTENTION

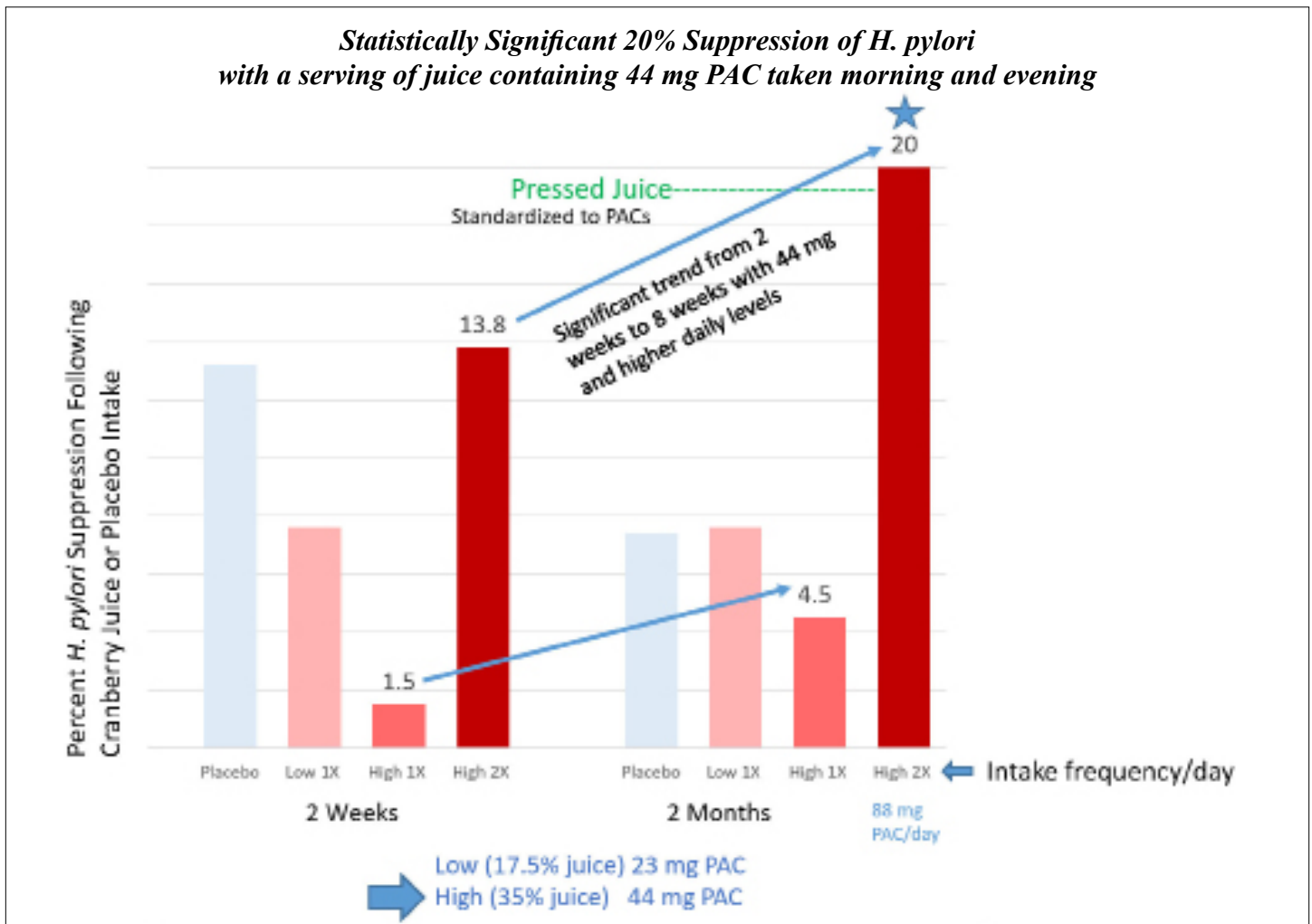
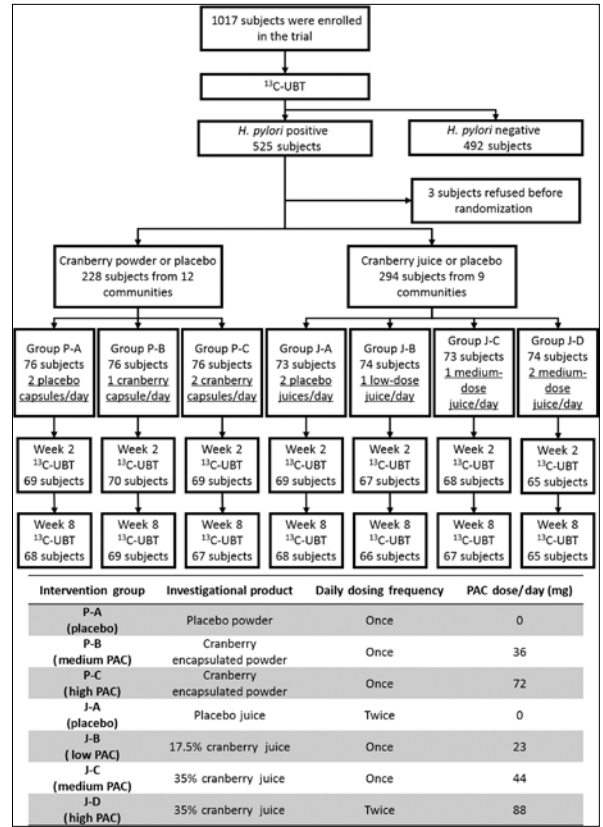
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The study was conducted by key scientists at the Department of Cancer Epidemiology, Peking University Cancer Hospital and Institute in Beijing, China, a leading cancer research center. The study included 522 H. pylori-positive Chinese adults between the ages of 18-60 that have never previously received antibiotic therapy for H. pylori infection. Participants assigned to specific groups consumed different amounts of cranberry juice, juice-based powder or their placebos daily for eight weeks with testing performed at 2 and 8 weeks to determine H. pylori suppression rates. Investigational products were standardized to contain different levels of PACs to evaluate their effects on H. pylori suppression.

A press release highlighting the findings of the new research was published on PR Newswire and EurekAlert! August 18. The PR Newswire release was distributed to the United States, Canada and the European Union, and has been translated to Spanish, German and French. To-date, our press release has generated 171 placements and 671,054,832 impressions.

Notable coverage to-date of the press release includes the following popular outlets:

- AP News
- MarketWatch
- Yahoo! Finance
- Yahoo! Finance Canada
- News-Medical
- Only My Health
- Business Insider: Markets





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September 2020

Cranberry News

CRANBERRY STUDY RESULTS PUBLISHED IN TOP TIER JOURNAL

A new clinical study, “Suppression of *Helicobacter pylori* Infection by Daily Cranberry Intake: A Double-Blind, Randomized, Placebo-Controlled Trial,” was recently published in the *Journal of Gastroenterology and Hepatology*, a top international gastroenterology journal.

The clinical trial found consuming cranberry juice containing 44 mg of proanthocyanidins (or “PACs”) per 240-mL serving twice daily for eight weeks resulted in a 20% reduction in the *H. pylori* infection rate in Chinese adult participants, when compared to those consuming lower amounts of juice and a placebo.¹

While more research is needed, these findings show that twice daily consumption of 44 mg PAC cranberry juice has the potential to be a natural, complementary management strategy for adults in this population infected with *H. pylori*.

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