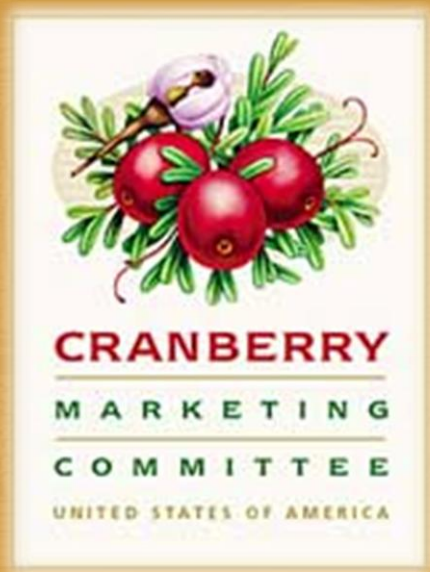


U. S. Cranberry

Marketing Committee



an overview

APCQ Convention - Rising Star

March 25-26 2013

Loew's Concorde Hotel

Quebec, QC

Scott J. Soares

Executive Director

ssoares@cranberrymarketing.org

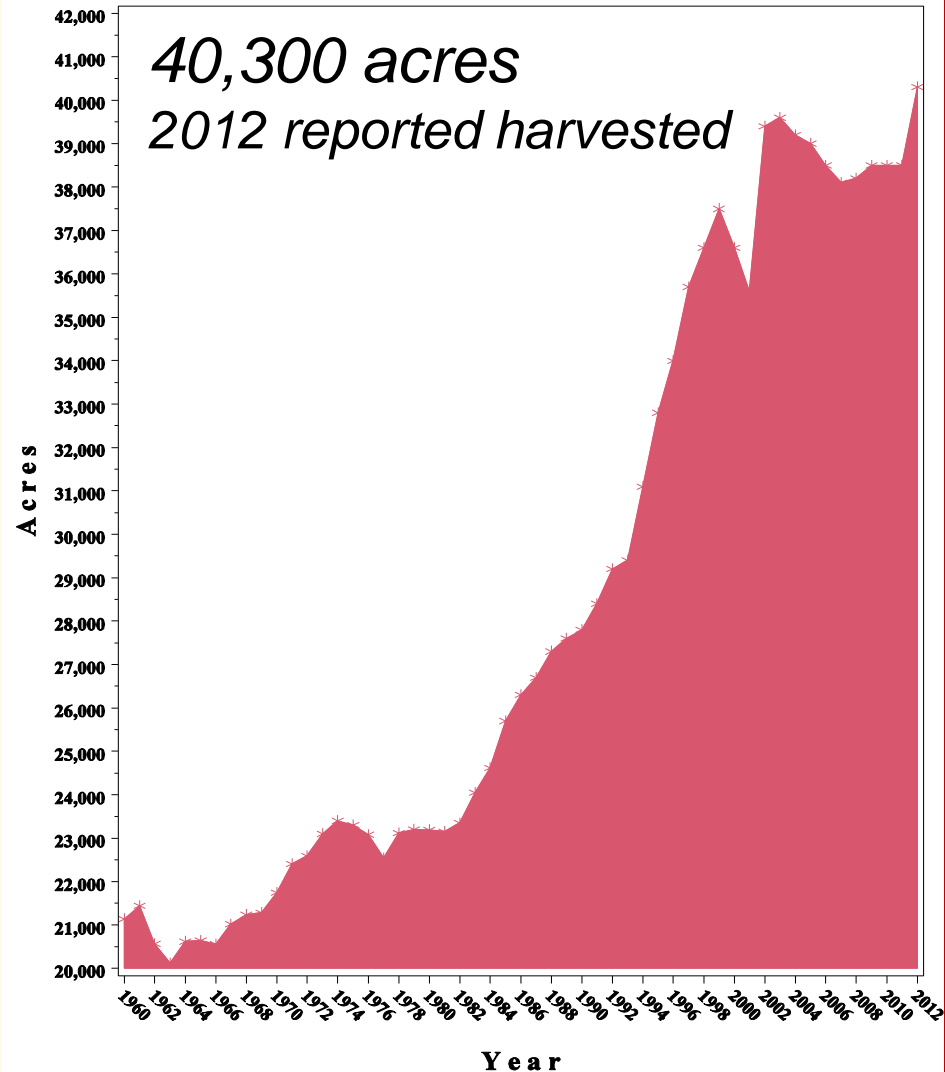
U.S. CRANBERRY MARKETING COMMITTEE
219 A MAIN ST. WAREHAM, MA 02571 WWW.USCRANBERRIES.COM



*What are
the U.S.
Cranberry
industry's
Stats
?*

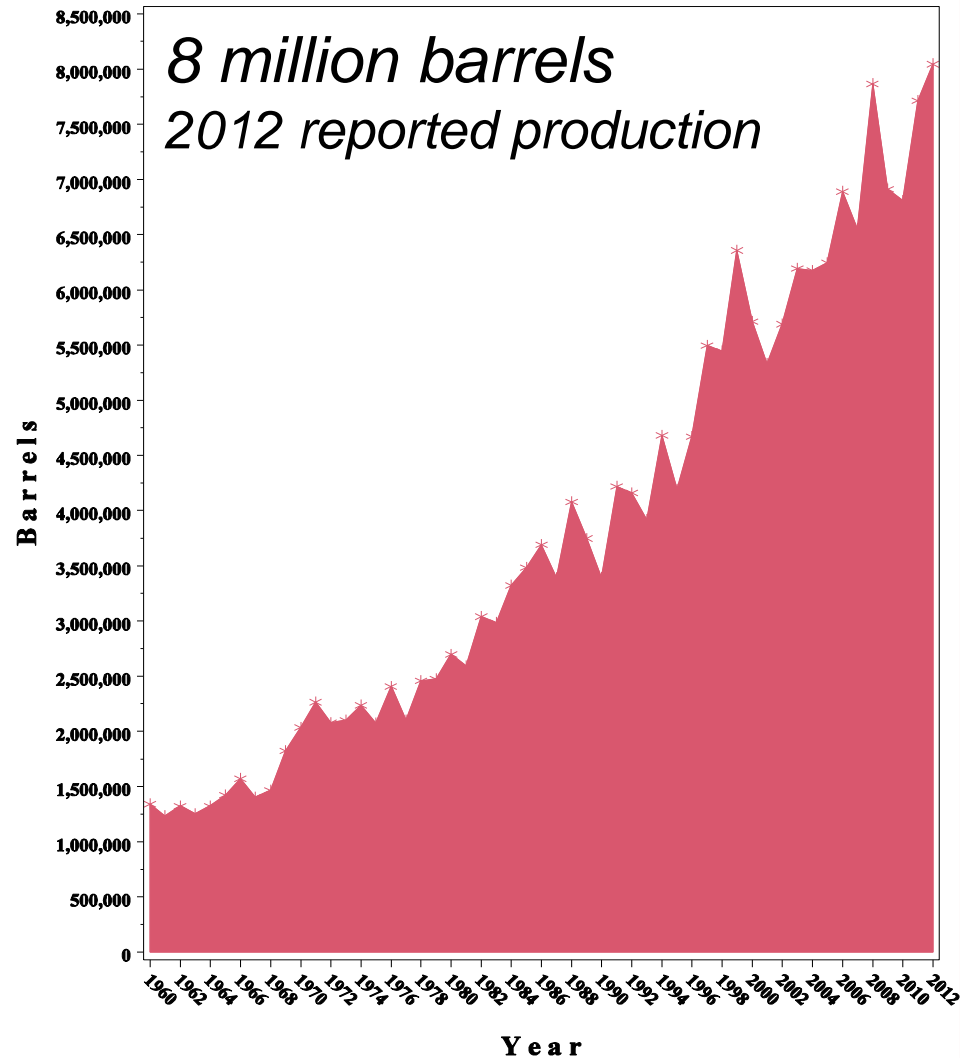
U.S. Acres and Production 1960 - 2012

U.S. Cranberry Area Harvested
1960 - 2012



Source: NASS / USDA

U.S. Cranberry Production
1960 - 2012

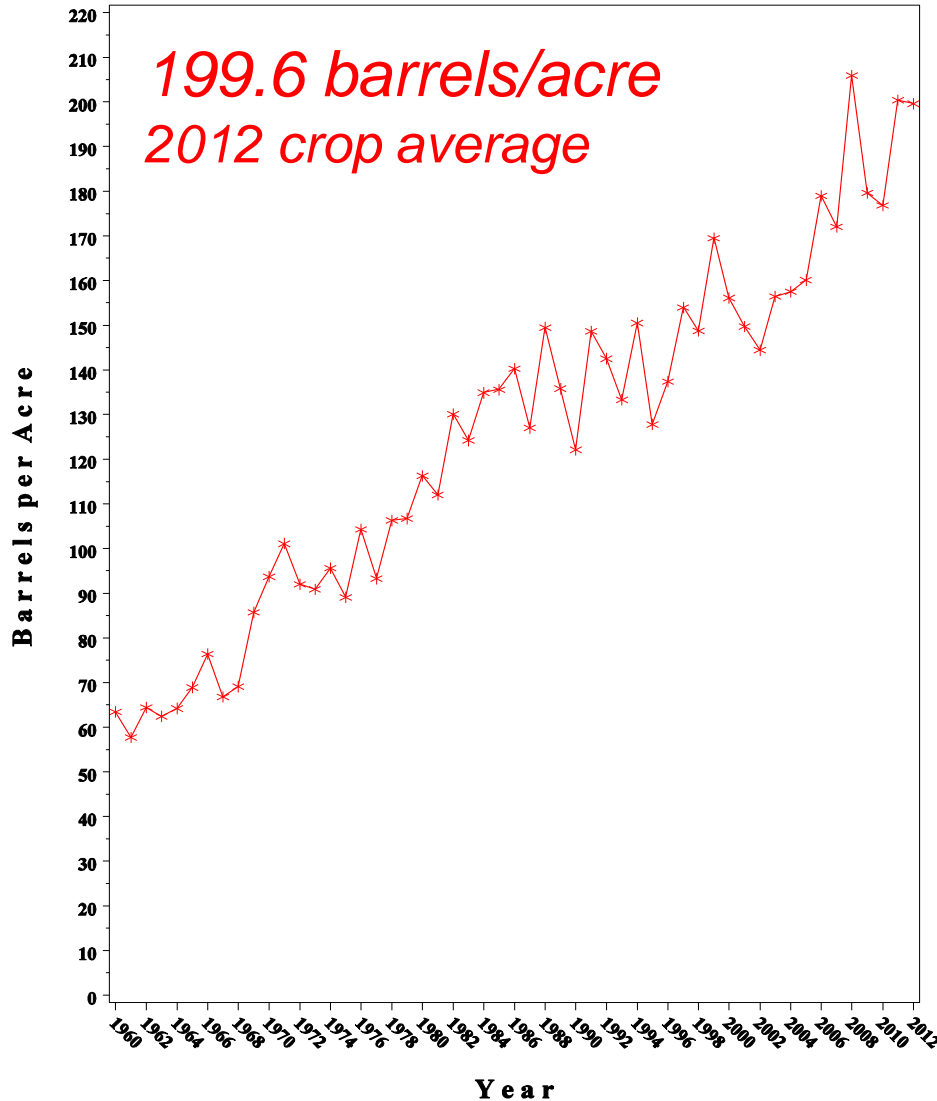


Source: NASS / USDA
2012 Production is Estimated

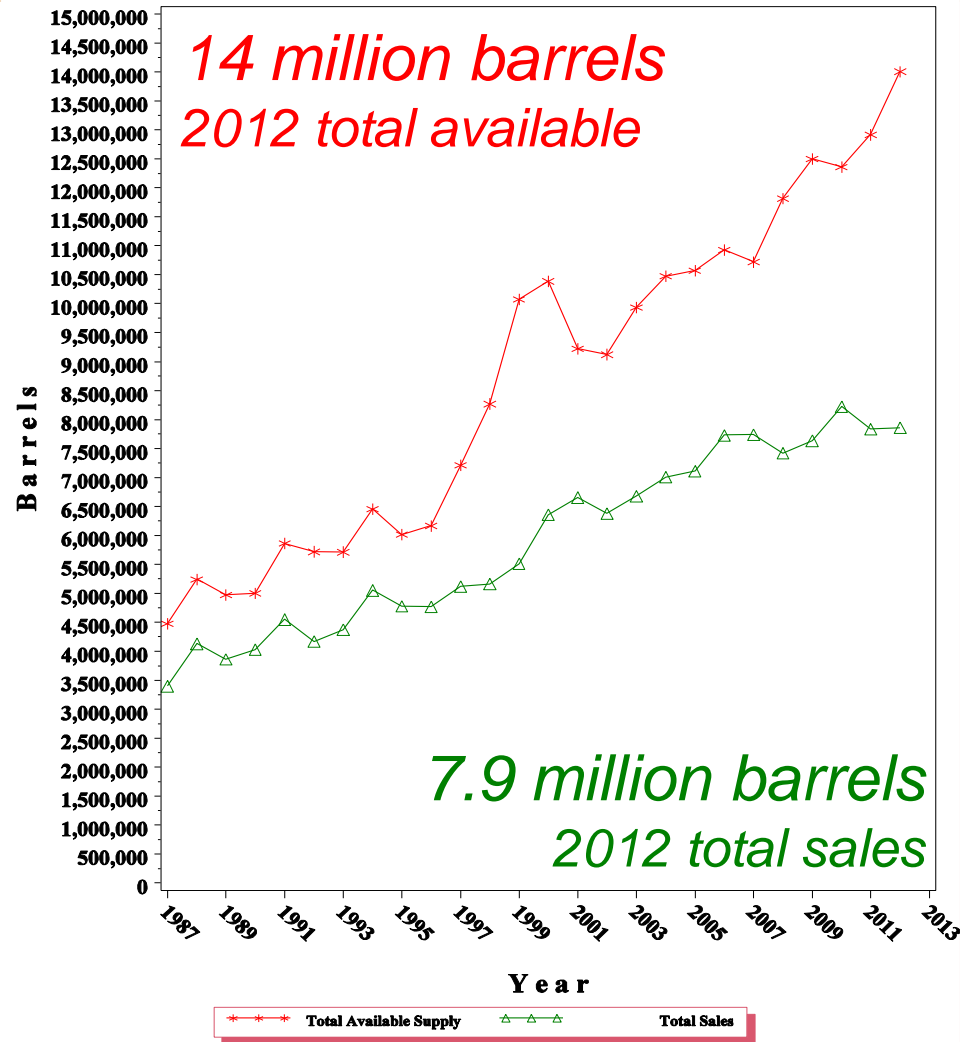
U.S. Yield, Supply and Sales

1960 and 1987 - 2012

**U.S. Cranberry Yield
1960 - 2012**



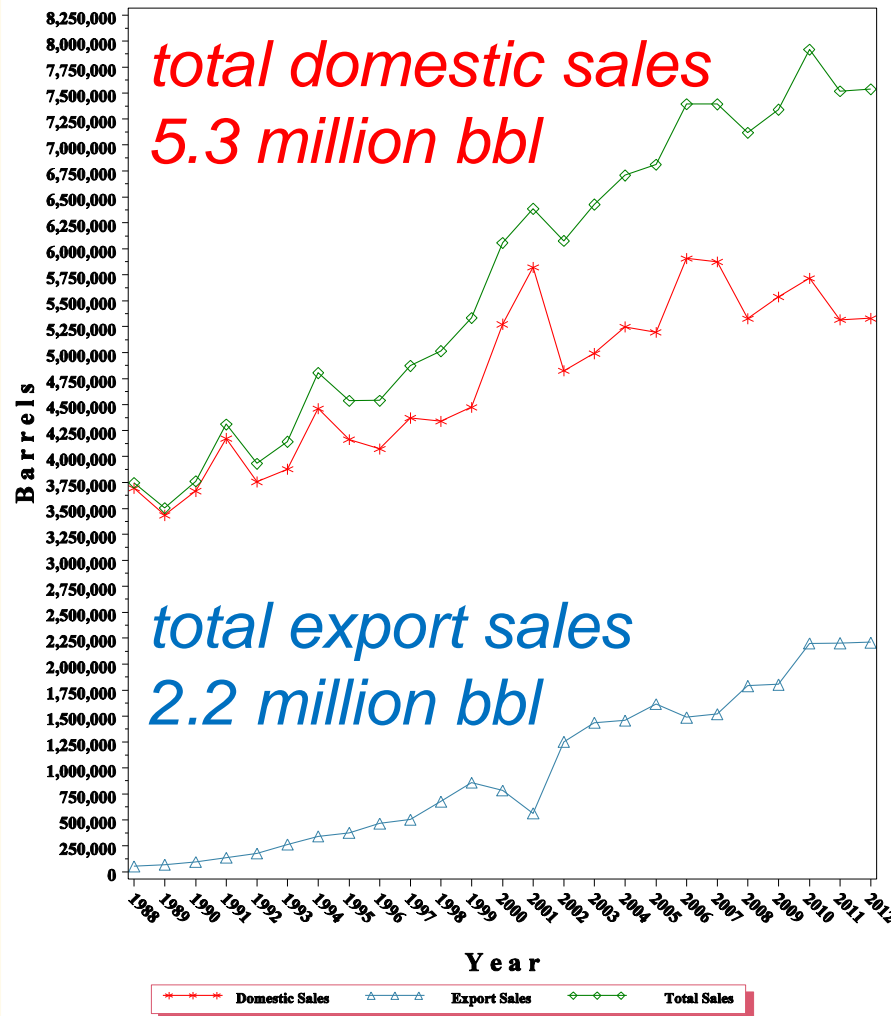
**Comparison of Total Available Supply and Total Sales
1987 - 2012**



Source: NASS / USDA and Cranberry Marketing Committee

Estimated 2013 Crop & 2014 Carryover

Domestic, Export, and Total Processed Cranberry Sales
1988 - 2012



2013 Marketing Policy

(millions of barrels)

- Carry in 5.772
- Forecast 7.776
- Prod & Acq 9.126
- Total Supply 14.898
- Total sales/use 7.857
- Carryover 6.560

CMC Mission

To ensure a stable, orderly supply of cranberry products in domestic and international markets as authorized and provided by the Federal Cranberry Marketing Order (CMO), which is part of the Agricultural Marketing Agreement Act of 1937.

To accomplish its mission, working with the United States Department of Agriculture, the CMC develops global marketing and promotional activities, and may issue volume control regulations when needed and as authorized by the CMO and Congress.

34 Marketing Orders

Almonds

Apricots

Avocados

Cranberries

Dates

Grapes

Hazelnuts

Kiwifruit

Nectarines

Olives

Pistachios

Raisins

Spearmint Oil

Tomatoes

Walnuts

Cherries [Sweet] [Tart]

Citrus (2)




Onions (5)

Peaches

Pears (2)

Plums/Prunes (2)

Potatoes (5)

-  Locally administered by committees made up of growers and/or handlers (also often a member of the public)
-  Initiated by industry and enforced by USDA
-  Apply to the entire industry in the geographical area defined by the Order

Chapter IX, Title 7, Code of Federal Regulations,
PART 929--CRANBERRIES GROWN IN STATES
OF MASSACHUSETTS, RHODE ISLAND,
CONNECTICUT, NEW JERSEY, WISCONSIN,
MICHIGAN, MINNESOTA, OREGON,
WASHINGTON, AND LONG ISLAND IN THE
STATE OF NEW YORK

“Federal Cranberry Marketing Order (CMO)”

“the CMO”

www.uscranberries.com

The order was promulgated in August 15, 1962
Referendum every 4 yrs. Most recent May 2011

CMO Construction

Three Subparts

1. Order Regulating Handling
2. Rules and Regulations
3. Assessment Rate

1. Order Regulating Handling, 7 sections

- *Definitions*
- *Administrative Body*
- *Expenses and Assessments*
- *Research*
- *Regulations*
- *Reports and Records*
- *Miscellaneous Provisions*

2. Rules and Regulations

- *15 subsections*

3. Assessment Rate

- *3 subsections*

CMO Major Provisions

- ✓ **Fiscal Year:** September 1 through August 31
- ✓ **Production Area:** Massachusetts, Rhode Island, Connecticut, New Jersey, Wisconsin, Michigan, Minnesota, Oregon, Washington, and Long Island in the State of New York.
- ✓ **Authority and Regulations:** authorizes volume control through producer allotments and handler withholdings.
- ✓ **Research and Promotion:** authorizes production research and market research and development projects that include paid advertising. The Committee is currently conducting several marketing development projects.

CMC Structure

-  13 industry and 1 public member
-  6 members who represent the industry's largest cooperative (Ocean Spray)
-  6 members who represent independent growers
-  1 member at large
-  9 alternate member positions
-  USDA Secretary appointed 2-year terms of office begin August 1
-  Excluding Co-op members who are nominated by the Co-op, members are nominated by mail balloting in all districts

Districts and Members



Four “Districts” are represented by the Membership

District 1 - Massachusetts, Rhode Island, and Connecticut

- 4 members, 2 alternate members

District 2 - New Jersey and Long Island

- 1 member, 1 alternate

District 3 - Wisconsin, Michigan, and Minnesota

- 4 members, 2 alternates

District 4 - Oregon and Washington

- 1 member, 1 alternate

CMC works through its Subcommittees

 12 standing and adhoc subcommittees

 Most Active Include:

- ~~– CMO Review~~
- ~~– CMO Volume Regulation~~
- ~~– Long Range Planning (LRPS)~~
- Maximum Residue Levels (MRL)
- Scientific Advisory Board (SAB)
- International Market Development (IMDS)
- Domestic Market Development (DMS)

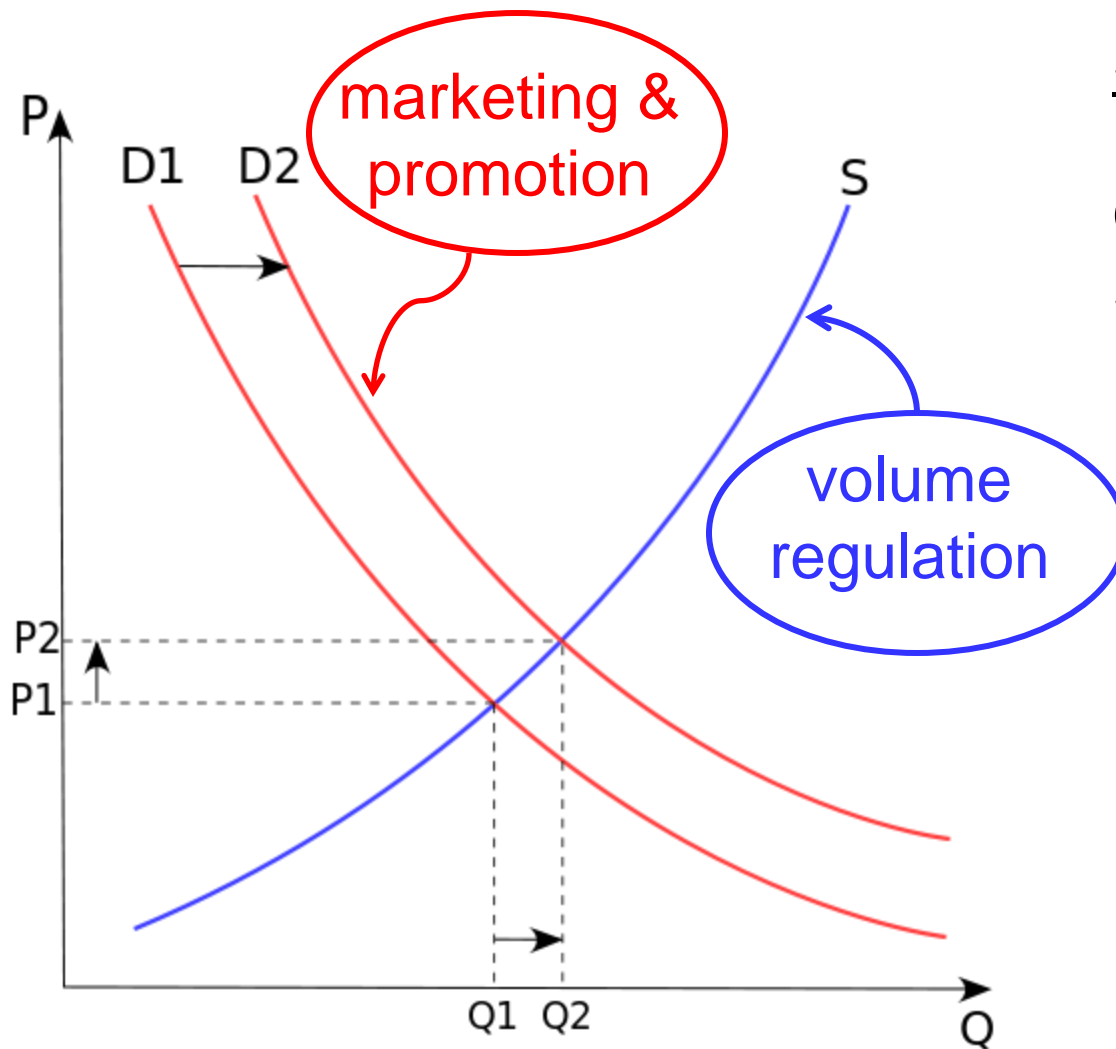
So what does the CMC do?

- ✓ Administers the provisions of the CMO...
- ✓ Collects and reports industry data...
- ✓ Collects an industry assessment for execution of CMO provisions...
- ✓ Effectuates research, promotion and regulation...

“ensure a stable supply of cranberries... regulation, research and promotion ”

www.uscranberries.com/about/index.html

The CMO in economic terms...



Supply and Demand:

P - price

Q - quantity of goods






S - supply

D - demand

Goal...

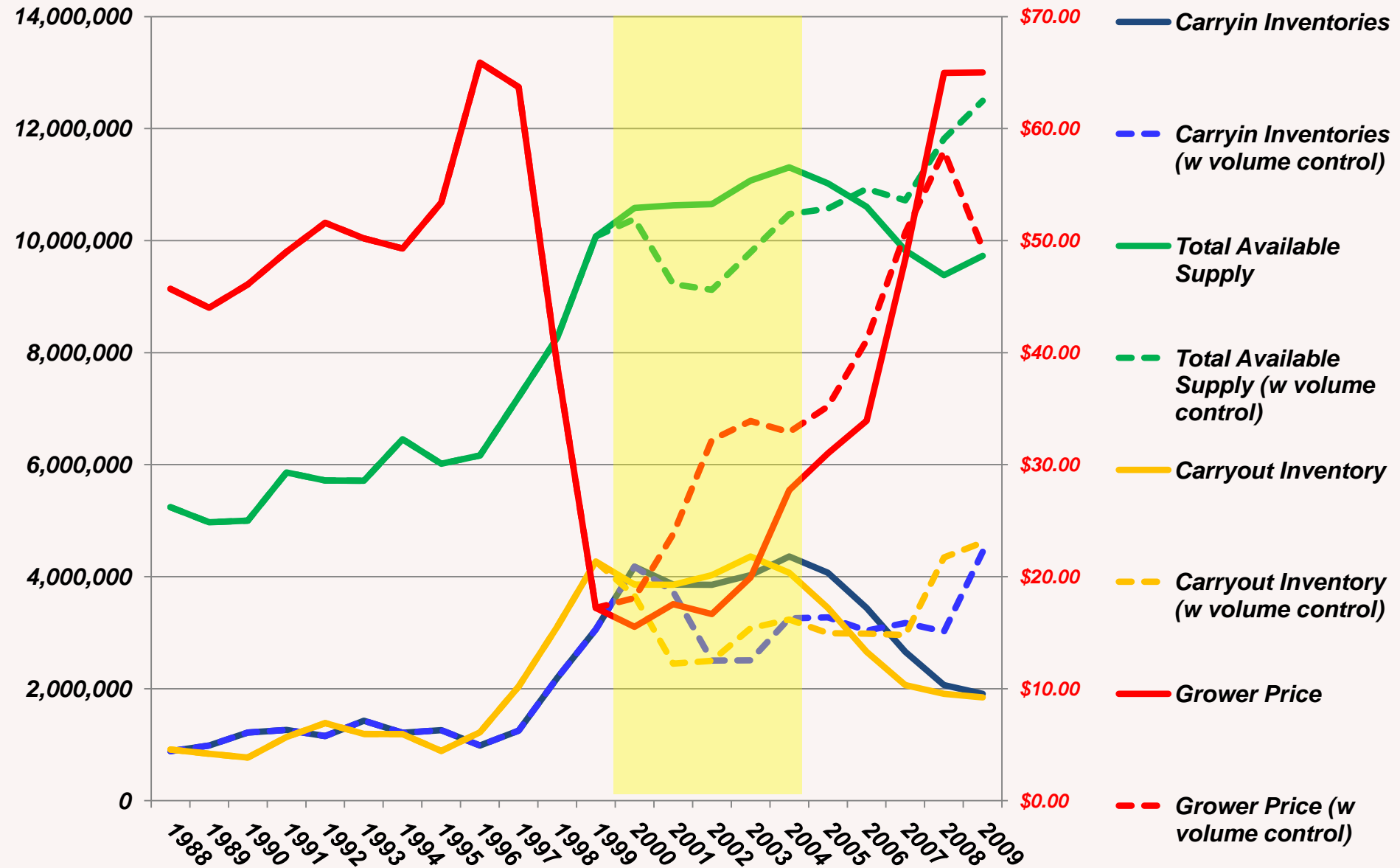
avoid negative impact on growers = work to avoid price volatility

Volume Regulation

-  Works on the “supply” curve of the equation
-  Two mechanisms
 - Producer allotment
 - Handler withhold
 - Can be used separately or in combination
-  Utilized 5 times since 1962
-  Impacts supply as a means to increase grower returns
-  **Not “easy” to invoke!**

Total supply, grower price, and inventory with and without volume control 1988-2009 (85% allotment)

(Kesecker, K. et al, 2010)



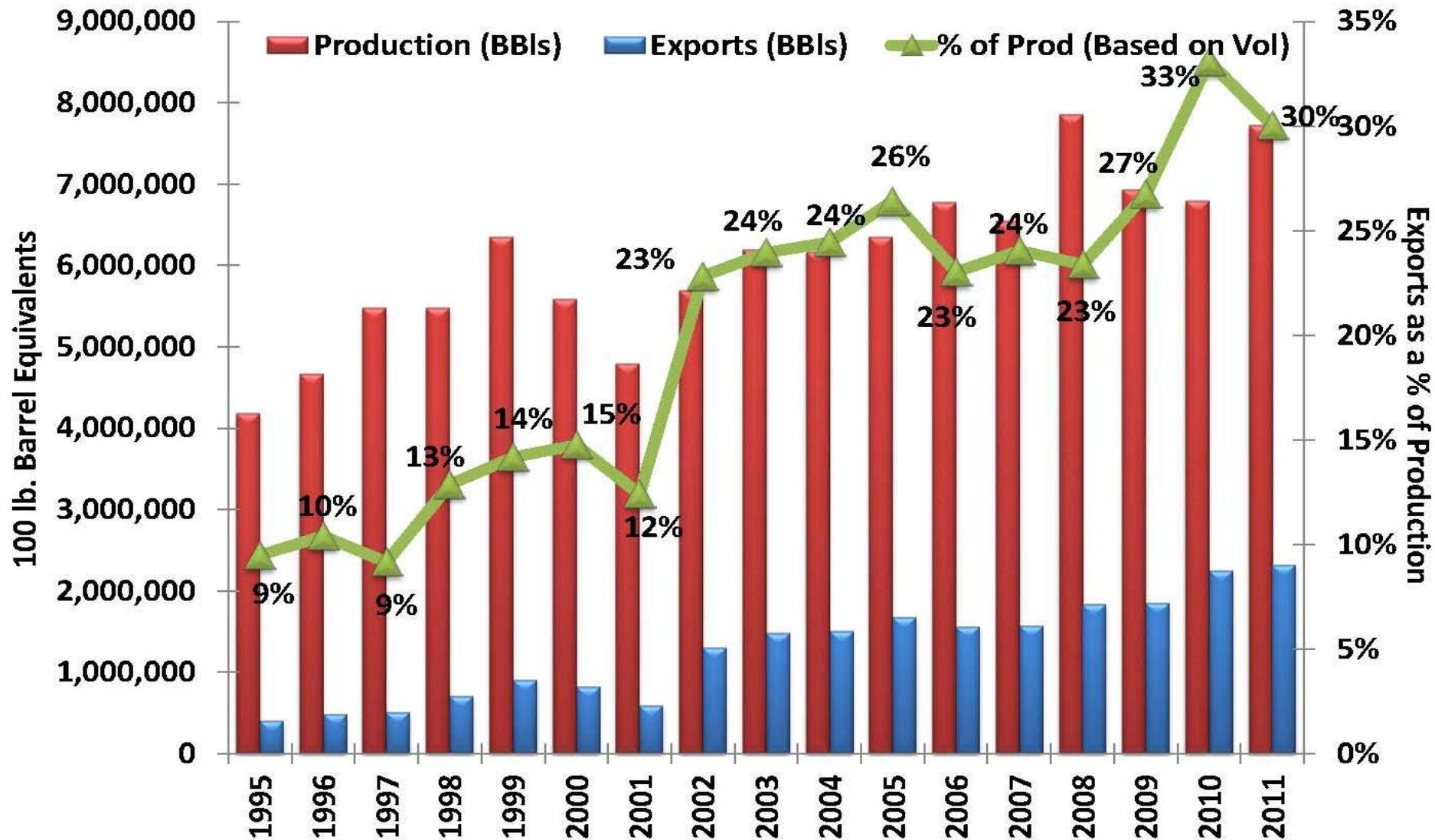
Volume Regulation 2013?

- 2 producer allotment motions and subsequent votes were taken
 - 25% failed; 8 against, 4 in favor, 2 abstaining
 - 15% failed; 8 against, 5 in favor, 1 abstaining
- Varying philosophical and practical reasons
- Concerns regarding regional equity
- Concerns regarding international implications and participation
 - 2.3% total increase U.S. production
 - 45% increase in foreign acquired fruit

Marketing and Promotion

-  Works on the “demand” curve of the equation
-  Focused on generic, non-brand specific efforts
 - *Halo effect or “a rising tide floats all ships”*
-  Relies upon support of trade policy, research and promotion activities
 - *Message development*
 - *International market research and access*
 - *In market coordination, promotion activities and trade assistance*
-  Requires partnerships, cooperation and coordination.

Marketing and Promotion





CRANBERRY
MARKETING
COMMITTEE
UNITED STATES OF AMERICA

U. S. Cranberries; the Healthy Power Berry

美国蔓越莓：有益健康的活力浆果

An overview;

the fruit, the history, the industry

概述：水果、历史、行业

Inaugural U.S. Cranberry Seminar Series in China

美国蔓越莓中国系列研讨会

Shanghai 上海 2013.01.14

Beijing 北京 2013.01.16

Shenzhen 深圳 2013.01.18

Scott J. Soares

斯科特·J.苏亚雷斯

Executive Director

执行董事

ssoares@cranberrymarketing.org

U.S. CRANBERRY MARKETING COMMITTEE

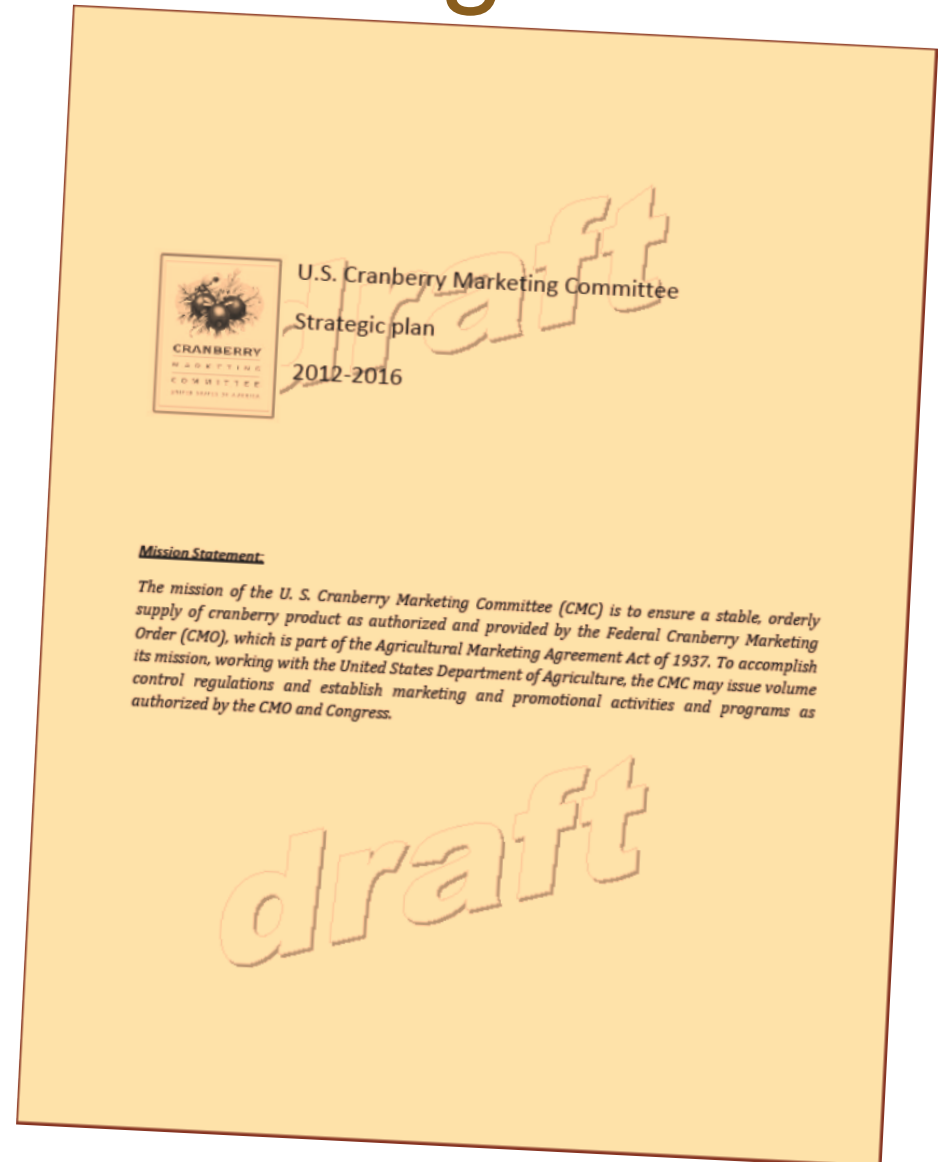
美国蔓越莓市场协会

219 A MAIN ST. WAREHAM, MA 02571 WWW.USCRANBERRIES.COM

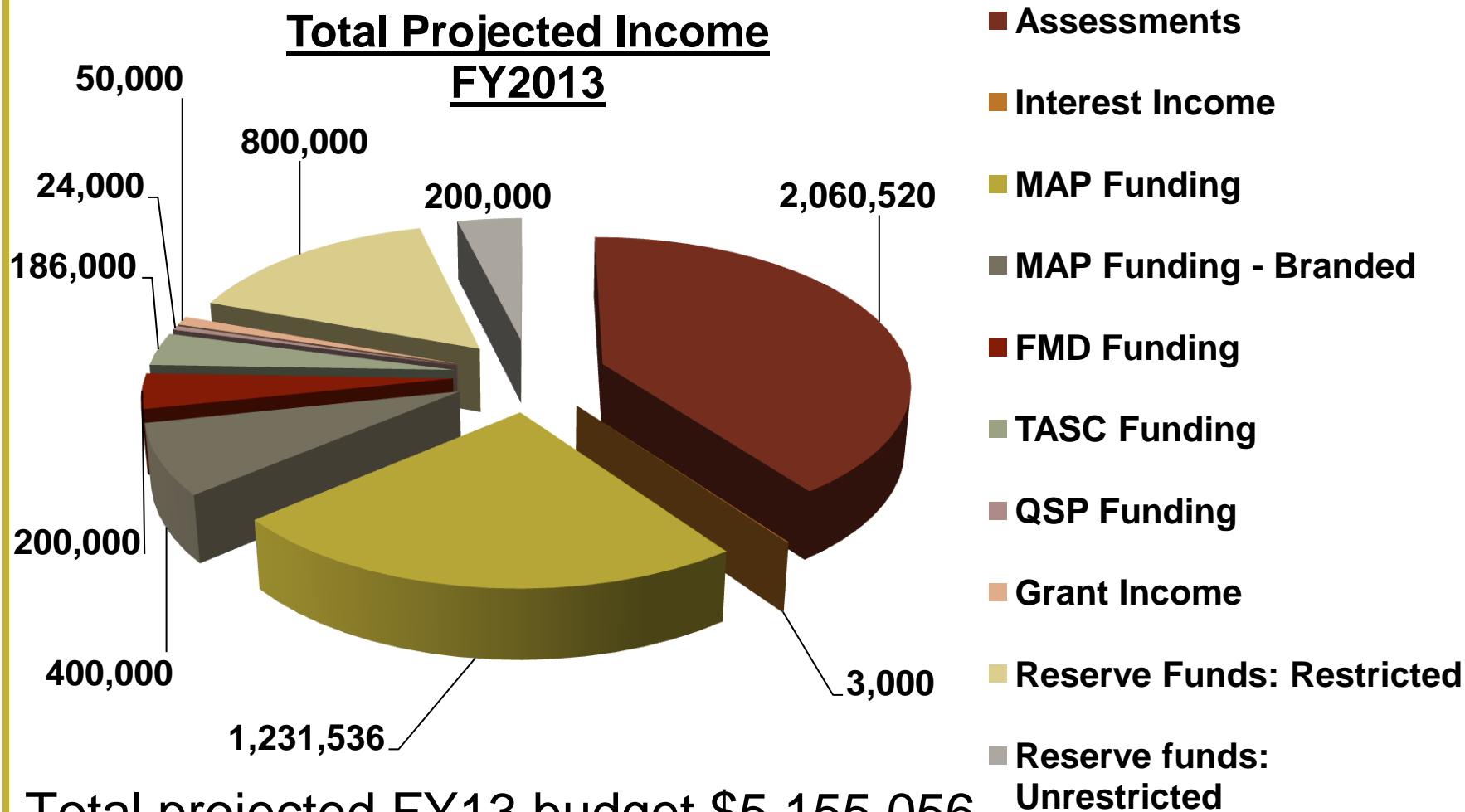
美国马萨诸塞州瓦尔汉市缅因街219A号，邮编：02571

Strategic Planning

- ✓ *Charting a course and framing priorities*
- ✓ *Reflect the concerns and interests of the U.S. Cranberry industry*
- ✓ *Capitalize on the authority and strengths of the CMC*
- ✓ *A dynamic and iterative process*

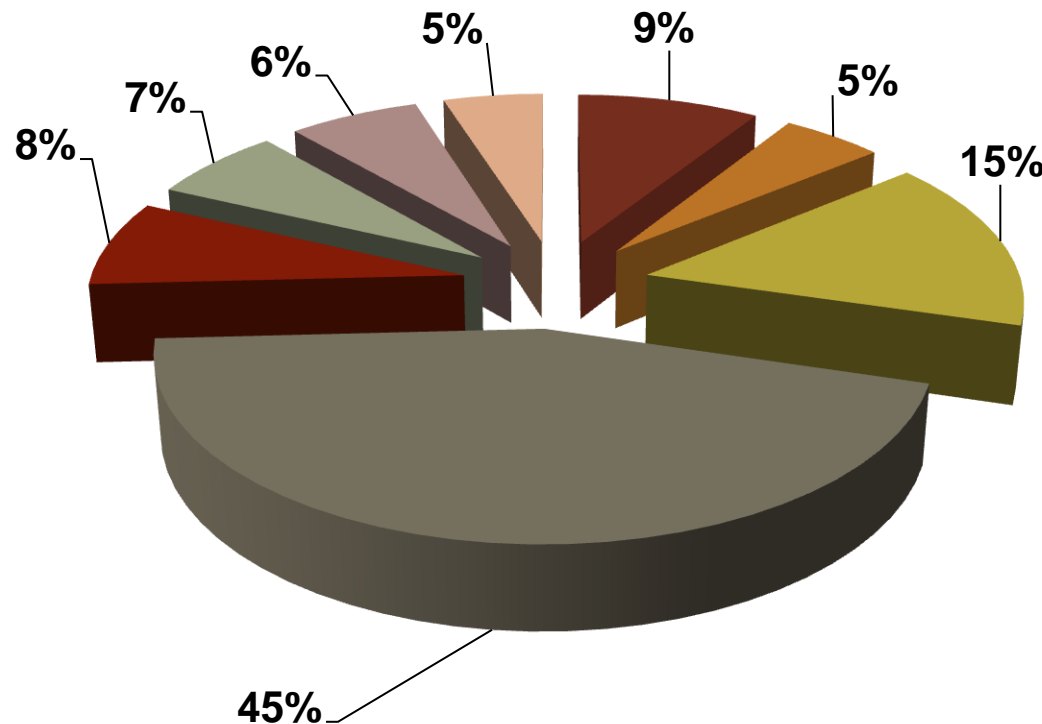


Total Projected Income
FY2013



- Total projected FY13 budget \$5,155,056
- Greater than 60% from Federal funds
- Assessment of .28 / barrel to handlers ~ 40%
- Actively seeking alternate funding sources

Total Projected Expenditure FY2013



- Administrative Expenses
- Meeting & Travel Expenses
- Board Restricted for Operating Reserve
- International Promotion Program
- Branded Program
- International Program Consultant Expenses
- Total Domestic Promotion
- Total Projects

- Total projected FY13 expenditure \$5,180,407
- 45%+ of expenditure towards international markets
- Actively seeking partnerships for emerging markets

**For More Information About the
U.S. Cranberry Marketing Order**

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508-291-1510

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USCRANBERRIES.COM

Follow us @uscranberries

Thank You!