

United States Senate

WASHINGTON, DC 20510

December 19, 2013

The Honorable Tom Vilsack
Secretary of Agriculture
1400 Pennsylvania Avenue, NW
Washington, DC 20250

Dear Secretary Vilsack:

The Cranberry Marketing Committee and cranberry grower and industry associations recently submitted the enclosed request for a Section 32 purchase of cranberry products. We write in support of this request in light of current market conditions.

Growers and processors in our home states have been impacted by the recent surplus of cranberries, which has resulted in a 60 percent increase in cranberry inventories in the past two years. The surplus is in part due to a substantial increase in Canadian production over the past five years. In response, the industry is pursuing opportunities to increase exports and has worked with the agency in an effort to reduce tariff and non-tariff barriers to trade.

In addition, the cranberry industry has also worked with agency staff at the Food and Nutrition Service to expand the availability of cranberry products in school food programs through the addition of sweetened, dried cranberries to the Foods Available List.

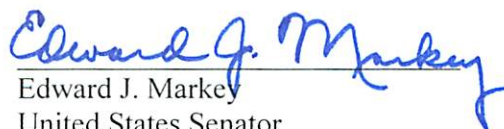
We appreciate the agency's efforts to respond to these difficult market conditions. Thank you for your consideration of this purchase request.

Sincerely,



Tammy Baldwin
United States Senator

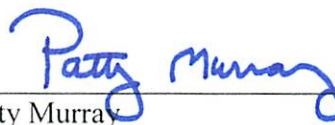
Maria Cantwell
United States Senator

Robert P. Casey, Jr.
United States Senator

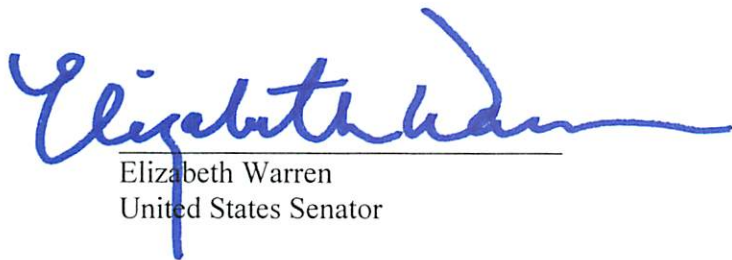
Edward J. Markey
United States Senator

A handwritten signature in blue ink, reading "Robert Menendez".

Robert Menendez
United States Senator

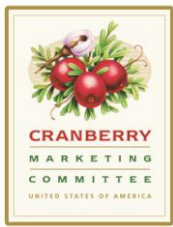
A handwritten signature in blue ink, reading "Patty Murray".

Patty Murray
United States Senator

A handwritten signature in blue ink, reading "Elizabeth Warren".

Elizabeth Warren
United States Senator

Enclosure



U.S. CRANBERRY MARKETING COMMITTEE

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2012 - 2014

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November 14, 2013

Charles W. Parrott

Deputy Administrator

Agriculture Marketing Service

Fruit and Vegetable Program

U.S. Department of Agriculture

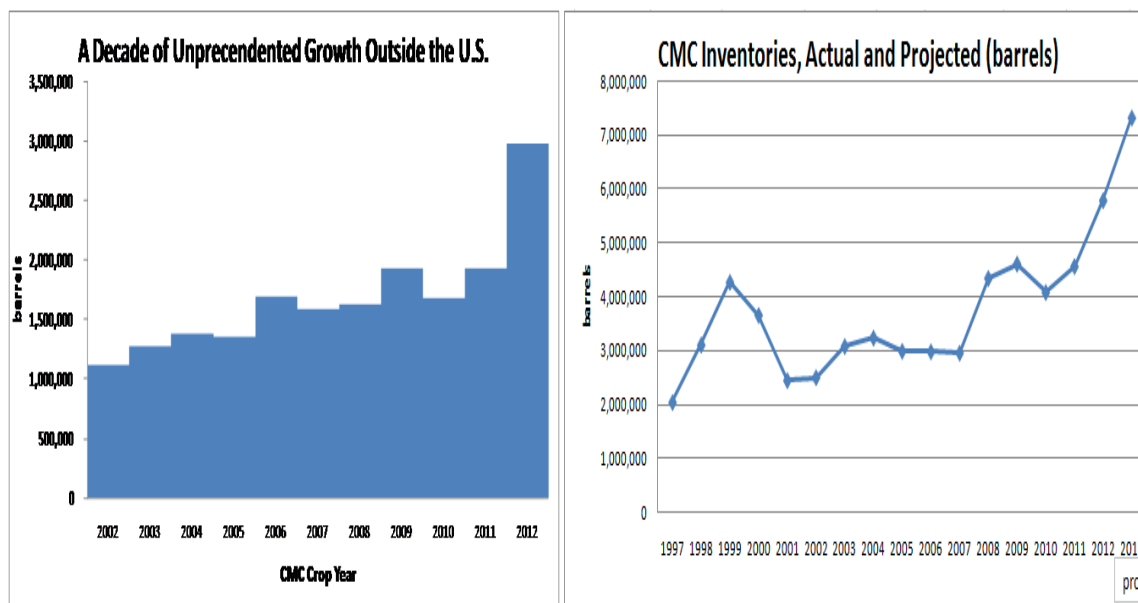
Washington, DC 20250

Dear Administrator Parrott:

We are writing on behalf of the industry to you to express our continued concern about the impact of the current cranberry oversupply and inventory surplus. As you know, specialty crops do not benefit from loan rates or other government programs that assist growers when adverse economic conditions negatively impact growers. Given the current economic situation facing cranberry producers in Wisconsin, Massachusetts, New Jersey, Oregon and Washington, we request that the Department of Agriculture and the Secretary consider authority under *Section 32 of the Richard B. Russell National School Lunch Act* for additional cranberry commodity purchases.

The Cranberry Marketing Committee does a survey of our largest handlers to estimate the crop that was just harvested. This survey revealed a third record crop in a row, which is projected to additionally increase inventories, which have already increased 280,000,000 pounds (60%) in just the last two years. As we mentioned in our last letter the Canadian 2012 crop contributed nearly 300 million pounds of cranberries to our 2012 shared global market, which was an increase of nearly 50% over the 2011 harvest. [Figures for the 2013 Canadian crop are not yet available, though preliminary estimates are not encouraging for our current oversupply situation]. While the industry strongly supports and appreciates the most recent announcement by USDA to make a \$5 million purchase of cranberry concentrate, **it is estimated that additional utilization of 750,000 barrels is needed to provide cranberry growers a viable economic structure to support the production and sale of raw cranberries.**





We ask that the Department consider all available fresh and processed cranberry products for distribution to appropriate USDA/FNS Food Distribution and Child Nutrition programs to address the current surplus. Cranberry products available for purchase include cranberry concentrate and sauce (which utilize the greatest amount cranberries per product) as well as sweet and dried cranberries, frozen whole and sliced cranberries, and cranberry trail mix.

As previously expressed, there are a number of factors that have led to the current surplus, including additional acreage that was planted in Canada over the past five years. The industry is continuing to work to increase global market opportunities to remove tariff and non-tariff barriers to trade. Additionally, the industry is working with USDA's Food and Nutrition Service to explore additional options for expanding cranberry products to be sold in schools. We will continue these and other efforts to expand and create additional markets for cranberry products.

However, the industry is very concerned that unless action is taken to assist growers in the utilization of cranberry inventories, at the current pricing for raw cranberries, many growers may be forced to exit the business, when faced with the prospect of selling their cranberries below their cost of production. Furthermore, given the market advantage that the Canadian industry has with the recently negotiated Free Trade Agreement with the European Union, U.S. growers will be faced with additional hardships as Canada will have an 18-20% advantage in marketing cranberry products to one of the largest export markets.

Again we appreciate your consideration and attention to this critical issue.

Sincerely,

Jill Amundson
Chairman Cranberry Marketing Committee

