



January 19, 2023

Dear consumer industry partner,

I am writing you today to update you on the status of cranberry juice availability in North America. Needless to say, it's been a very trying year.

The below chart shows the total cranberry production for the cranberry industry. Looking at cranberry production on a 6 year look back, the US has averaged just over 8,000 metric tons with the last 3 years coming in significantly below that average. Crop year 2021 was 83% of the US average with three straight years of declining production. We do not yet have 2022 final crop year data but we know that it came in nearly 15% below forecast for the industry.

As you may know, Ocean Spray represents 70% of the total cranberry market. Nearly 100% of the current Ocean Spray concentrate produced is going to their retail business in the form of Ocean Spray juices as well as Ocean Spray Craisins. This forces the balance of the market to find availability of product in the remaining 30% of producers. While supply has continued to shrink, demand has remained very strong for cranberry based juice drinks.

With declining production and strong consumption, this has set up the market to have no carry in coming into this crop year and expect to have no carry out of inventory going into next crop year.

In calendar year 2022, the open market for cranberry concentrate averaged roughly \$40/gallon. Today, pricing is nearing \$60/gallon for cranberry concentrate and that is only if the product can be found and committed.

Region	2016	2017	2018	2019	2020	2021
Massachusetts	2,103	1,759	2,237	2,016	1,877	1,582
New Jersey	575	423	448	448	514	557
Oregon	372	472	544	508	535	480
Washington	163	135	181	148	197	163
Wisconsin	6,041	5,335	5,272	4,485	4,610	3,902
U.S.	9,254	8,125	8,681	7,605	7,733	6,684
British Columbia	1,006	874	1,339	592	976	1,015
Eastern Canada	2,929	1,808	2,754	2,708	2,457	2,326
Canada	3,935	2,682	4,093	3,300	3,433	3,341
Chile	488	480	448	484	501	568
Total Industry	13,677	11,287	13,222	11,390	11,666	10,593

We continue to work with our suppliers to remain in stock of cranberry concentrate for the production of our shelf stable juices. But it continues to be more challenging, and we have no influence over the price we pay today for the un-allocated inventory which remains.

Looking forward, new crop for cranberries is expected in the October/November timeframe for North America. We believe it will be December of 2023 before we have any indication as to whether or not there will be relief in availability and price.

We commit to keep you updated as new information becomes available to us. We understand the need to keep you in supply of product for the consumer. Currently demand outstrips supply significantly causing the disruption we are now seeing at the retail shelf.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melanie LaPerriere', with a long horizontal flourish extending to the right.

Melanie LaPerriere/President & CEO/Cherry Central Cooperative