



Clement Pappas & Co., Inc.  
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A newsletter for the cranberry growers of Clement Pappas & Co., Inc.

## Being a Leader in Energy Conservation

Peter Pappas



Peter Pappas

As growers you are painfully aware of our increasing dependence on imported energy sources and the negative impact it is having on our businesses and our economy.

The impact is widespread, not just with the cost of fuel and electricity but with virtually every other commodity we touch. While there are potential alternatives to conventional energy sources down the road, all of these come with greater uncertainty and significantly higher costs than fossil fuels.

At the same time we are being informed by legitimate scientific sources that global warming is a reality. Within a few generations its effect could have a devastating impact on our environment and on every aspect of our lives. While there has been a minority dissenting view on this issue, it is becoming increasingly clear that we have an undeniable

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## Cranberry Marketing Committee Continuance Vote/ Assessment Increase

This spring, cranberry growers will vote whether to continue the Cranberry Marketing Order. Every five years, cranberry growers must vote favorably in order to continue the marketing order. With no volume regulation during the last several years and favorable results from the generic cranberry promotion efforts, the 2/3's vote, in favor, to continue the CMC is expected to prevail. Once ballots are received, you have about 30 days to return your ballot to the CMC

In a related story, Cranberry Marketing Committee (CMC) Directors voted, at the August 2006 meeting, to increase the amount of money that cranberry growers pay to the CMC by \$0.10 per barrel. Under the new rule, the assessment rate for the 2006-2007 Season will be \$0.28 per barrel. The assessment rate will remain in effect indefinitely unless modified, suspended, or terminated. The Committee recommended the increase to cover increasing costs, including its contribution to the export market development fund. Foreign

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## Spotlight on Organics

By Aleni Pappas  
Organic Product Manager

**Organic is the fastest growing segment of the U. S. food industry with consumer demand increasing nearly 20% each year. (Source: Organic Trade Association)**



Aleni Pappas

The organic products marketplace realized tremendous growth over the past 10 years. As consumers grow increasingly aware and concerned about what they are eating, how it is

grown, how it affects the environment, and how it impacts their health, more and more Americans are trying organic food and beverages. According to the Hartman Group's report *Organic Food & Beverage Trends 2004: Lifestyles, Language and Category Adoption*, 66% of U.S. consumers report they use organic products at least occasionally.

Clement Pappas produces organic cranberry juice, cranberry juice blends, and organic cranberry sauce for both

mainstream and natural store customers and has been since 2003.



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## New CMC Public Members

Two new public members have just been appointed to the Cranberry Marketing Committee. They are Dr. Enrique Figueroa as member and Toby Stapleton as alternate.



Dr. Figueroa is the chief executive and administrative officer of the University of Wisconsin Roberto Hernández Center(RHC). His responsibilities include overall management and planning, including personnel, budget administration, and program development and implementation. As Assistant to the Provost for Latino Affairs, Dr. Figueroa assists the Provost in efforts to promote the hiring of Latino faculty and staff as well as represent UWM before the greater Milwaukee Latino community. Dr. Figueroa was born in Uvalde , TX and lived there until the age of twelve, when his family moved to Modesto , CA . His formal schooling includes an M.S. in Horticulture from U.C.-Davis, and an M.S. and Ph.D. in Agricultural Economics from U.C.-Davis. Upon completing his doctorate, Dr. Figueroa was appointed Assistant Professor of Agricultural Economics at Cornell University and was subsequently promoted to Associate Professor. Dr. Figueroa was appointed as Administrator of Agricultural Marketing Service by the Clinton Administration and subsequently was promoted to Deputy Under Secretary for Marketing and Regulatory Programs, both at the United States Department of Agriculture (USDA). In both capacities, Dr. Figueroa played a

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## 2007 CMC February Crop Estimate

The CMC held its February meeting in Arlington, VA on February 11th-12th. Not surprisingly, the committee voted NOT to have a volume regulation for the 2007 crop. Although the CMC could vote later this year for a volume regulation via a "Handler Withholding", that is very unlikely, given increased cranberry sales and favorable grower returns. The crop estimate and projected fruit in inventory at the end of the marketing period for the 2007 crop are shown in the tables below. In addition to reviewing the 2007 crop, the CMC Board also adopted the final report of a "Comprehensive Industry Strategic Plan" (CISP). Comments on the CISP are elsewhere in this newsletter.

### 2007 CMC February Crop Estimate

1,000 Barrels

**Estimated Carry-In as of 09/01/07** **3,200,000**

#### *Production & Acquired*

**Estimated Domestic Production** **6,663,000**

**Estimated Foreign Acquired** **1,176,000**

**Total Production & Acquisitions** **7,839,000**

**Available Supply (1+4)** **11,039,000**

#### *Estimated Shrinkage*

**2% of Carryin** **64,000**

**3% Estimated Production/Acquisitions** **235,170**

**Estimated Shrinkage** **299,170**

**Adjusted Supply** **10,739,830**

#### *Sales & Usage*

**Fresh Fruit Sales** **310,000**

**Processing Fruit Usage** **7,200,000**

**Total Sales/Usage** **7,510,000**

**Difference Between Adj. Supply/Sales** **3,229,830**

**Industry Inventory Est.(Pipeline) Needs** **3,000,000**

**Est Adjusted Carryout as of 08/31/08** **229,830**

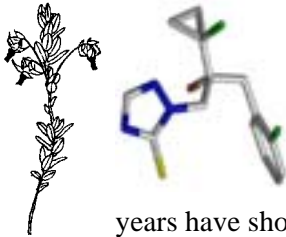
STATE	Barrels
Massachusetts	1,696,000
New Jersey	495,000
Wisconsin	3,804,000
Oregon	493,000
Washington	175,000
<b>TOTAL</b>	<b>6,663,000</b>



## Cranberry Fruit Rot - The search for new chemistries



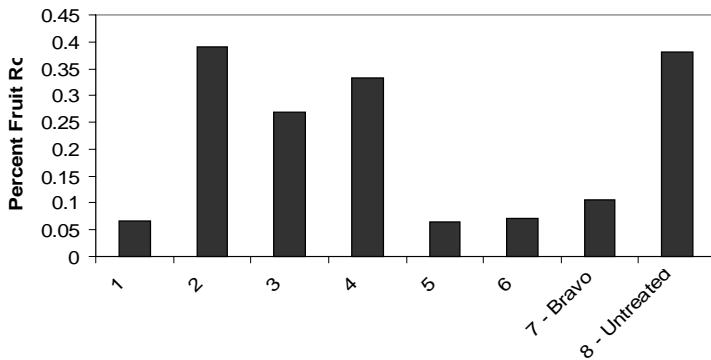
By Peter Oudemans, Donna Larsen, Chris Constantelos, Jen Vaiciunas



Cranberry fruit rot is caused by 5 common fungal species and over 25 minor ones. The challenge is to identify new fungicides that do not possess phytotoxic effects but have a broad spectrum of action. This requirement is actually opposite of the typical fungicide discovery program that searches for specific modes of action and typically yields materials with narrow spectra of action. In 2006 we initiated a fungicide trial to test some of the newer chemistries being developed for the North American agricultural market. Trials conducted in previous years have shown mixed success with most strobilurins, triazoles and other chemistries failing in these field trials. The materials tested in 2006 are listed in the table below.

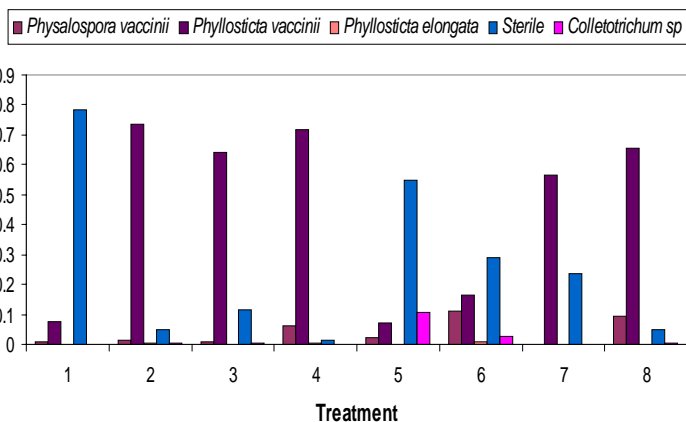
Treatment	Active Ingredient	Status	Fungicide Resistance Grouping Code
1. Not labeled	Triazole fungicide	Proposed IR4 2007	3 Medium Risk
2. Not labeled	Carboxamide fungicide	No further testing	7 Medium Risk
3. Not labeled	Strobilurin fungicide	Possible companion material	11 High Risk
4. Not labeled	Antibiotic fungicide	Possible companion material	19 Medium Risk
5. Imminent label	Triazole (Fenbuconazole)	Awaiting EPA approval	3 Medium Risk
6. Not labeled	Triazole fungicide	Proposed IR4 2007	3 Medium Risk
7. Bravo	Chlorothalonil	Local Standard	Medium Low Risk
8. Untreated Control			

In this trial all results are compared with Bravo (effective local standard) and an untreated control. One material (treatment 5) was identified in 1997 and a full label is expected for the 2007 growing season. Two other materials were also identified with excellent activity against cranberry fruit rot. Results shown on the left were taken on 7/25/2006 and fruit rot levels in the control were already about 40%. We expect the level to rise over 95% by 1/10/2006. Four treatments showed clear, strong control at the time of sampling.



Rotted fruit was collected from each plot and cultured to identify the causal agent. Not surprisingly, *Phyllosticta vaccinii* sometimes called early rot was the most common species isolated. Three treatments (1,5,6) showed reduced levels of that fungus in rotted fruit.

It is very important to note that as these newer fungicides are registered that we realize that they do not cover as broad a range as the older chemistries. For this reason it is likely that recommendations in the future may require mixtures to obtain satisfactory control. See for example the results on the right demonstrating the poor results obtained with a triazole fungicide.



Treatment	% Anthracnose infected fruit
Control	10.2 a
Captan	2.5 b
Abound	1.8 b
Triazole fungicide	13.1 a

Summary of effects on blueberry anthracnose

## Pappas Takes a Lead on Energy Conservation


(Continued from page 1)

problem that must be addressed. At Clement Pappas we have made a commitment toward becoming an industry leader in energy conservation and in sustaining our environment. As a key strategic initiative, we are in the midst of preparing a long range plan that will be the foundation for our efforts to meet this objective.

This effort will include generating a comprehensive scorecard with our current level of performance in what we are calling “Sustainability.” Using this as a baseline we will then monitor our long term progress against it. Listed below are the specific areas and activities that we will be working on to improve our performance.

- 1) Energy Usage (per case of product produced )
  - a. fuel
  - b. electric
  - c. propane
  - d. water
- 2) Raw Materials and Packaging Utilization (Waste Reduction)
- 3) Green House Emissions/CO2 per ton of Production
- 4) Packaging Material Reduction /Substitution
- 5) Product to Package Ratio
- 6) Transportation
  - a. inbound (cube utilization, on-site production)
  - b. outbound
- 7) Recycling of Materials
- 8) Recovery Value
- 9) Renewable Energy
- 10) Innovation
  - a. creative design/process solutions

We will be asking all of our stakeholders to partner with us in supporting this effort.... employees, suppliers and even customers. As part of our supplier community, each of you can help make a difference in minimizing our energy dependence and sustaining our environment. We look forward to working with you to identify and implement programs that will support what is a most important and vital goal.

Just like virtually every one of you, we are a family business. We strongly believe that we have an obligation to our future generations to be good stewards of our precious resources. 



## Spotlight on Organics

(Continued from page 1)


We offer our customers a variety of organic cranberry juices, including cranberry-berry, cranberry-apple, cranberry-grape, cranberry-raspberry, cranberry-lemonade and 100% pure cranberry juices.



Organic cranberry blend unit sales in mainstream grocery stores are up 46.1% compared to last year according to SPINS, a market and research consulting firm for the natural products industry. (52 weeks ending December 02 2006). Sales growth is being fueled by new product introductions like cranberry pomegranate and cranberry blueberry blends and consumer awareness of the health benefits of red fruits high in antioxidants.



In the past year, beverage companies are constantly

rolling out new products with antioxidant “superfruit” ingredients from far away places that many of us have never heard of, with names like acai, noni, and goji. We at Clement Pappas are reminding our customers that cranberries have higher antioxidant levels (or ORAC values, the measure of the level of antioxidants) than many of these new superfruits and continue to have the same anti-aging and cancer inhibition properties, and heart health benefits we have been touting for sometime. Consumers are opting for organics because they are “good for me” and “good for the world.” We are proud to put organic cranberries into products that are a great fit for today’s healthy lifestyles. 

## New CMC Public Members

*(Continued from page 2)*

key role in national policy affecting the marketing of agricultural products. He was responsible for a 2 billion dollar budget and a workforce of nearly 15,000. Dr. Figueroa serves on the Boards of national philanthropic organizations and on local community based organization Boards. He is a recognized national scholar,




*Toby Stapleton*

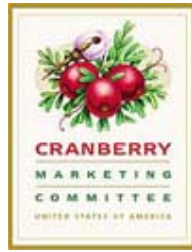
administrator, and Latino community leader.

Toby Stapleton is the executive director of the International Trade Assistance Center, Inc. located in Fall River, MA. He was appointed

Director of ITAC in October of 1999. ITAC is a state funded private non-profit organization that provides free international trade assistance to companies located in Southeastern Massachusetts, including Cape Cod and the Islands of Martha's Vineyard and Nantucket. Mr. Stapleton has provided international trade and export counseling to area businesses for over 12 years. He has served as an International Trade Associate with the Rhode Island Economic Development Corporation and an International Trade Counselor with the Massachusetts Export Center's Southeast Regional Office. He is also a professor of International Marketing and management at UMass Dartmouth. Mr. Stapleton received his B.A. in International Studies from Bryant College and his M.B.A. from Suffolk University.

The current appointments replace Drs. Clyde Barrows and Sharon Shoemaker who were the previous public members. 

## CMC's Comprehensive Industry Strategic Plan (CISP)



At its February meeting, the CMC adopted the recommendations contained in a strategic plan that was developed by Bryant Christie, Inc. (BCI). The development of the strategic plan began in February, 2005 and took two years to come to fruition. Major recommendations in the report cover Market Development, Sales Development, Product Development and Organizational Structure. A complete draft of the report can be found on the CMC's website ([usacranberries.com](http://usacranberries.com)).

### Market Development

The plan recommends making cranberry health benefits the foundation of the industry's communication effort. Market development activities in the US and abroad should be conducted and the program should exploit opportunities in new and existing markets. Relationships should be developed with organizations that have broad credible authority that can communicate cranberry health messages.



### Sales Development


The report urged the CMC to help the industry expand distribution by disseminating cranberry information (e.g. availability, sources, product characteristics, etc.) among potential buyers. The CMC should also work to increase demand through health education, mitigating regulatory factors and working with foreign producers to leverage resources.

### Product Development

The report recommends that the industry seek consensus on how and if to address the issue of developing a standard method for determining the active ingredient in cranberry. Product manufacturers should be encouraged to use as much cranberry as possible in their products, while understanding that product margins or product specifications may dictate cranberry content.



### Organizational Structure

The plan calls for the CMC to coordinate the industry's promotion efforts with representatives from other industry organizations to ensure a consistent message. The CMC is further advised to work with the Cranberry Institute to develop research priorities and a crisis communication plan. The CMC should continue to address foreign regulations through trade policy work, while allowing grower associations to handle domestic regulations. 

*"Cranberry Photos shown in this newsletter are courtesy of the Wisconsin Cranberry Growers' Association"*

**Upcoming Events:****March 8-9, 2007**

Cape Cod Cranberry Growers' Association, Winter Meeting and Trade Show, Plymouth, MA

**April 17-18, 2007**

Cranberry Institute Meeting, Charleston, SC

**July 26, 2007**

Quebec Growers Summer Field Day, St. Louis de Blandford, Quebec

**August 8, 2007**

Wisconsin Growers' Association, Summer Field Day and Trade Show, Merrill, WI

**August 27-28, 2007**

CMC August Meeting, Hyannis, MA

**Cranberry Marketing Committee Continuance Vote/ Assessment Increase***(Continued from page 1)*

target markets for cranberries increased from two in 1999 to five in 2006. Cranberries going into foreign markets increased from 10% for the 1999 crop to 24% of the 2004-05 crop. Even with the higher assessment, grower support of CMC generic cranberry promotion efforts will be less than 1% of the 2006 farm gate crop value.

