

# MASSACHUSETTS CRANBERRY INDUSTRY

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**Brian Wick, Executive Director**  
**Cape Cod Cranberry Growers' Association**

## Cape Cod Cranberry Growers' Association

**Founded 1888**

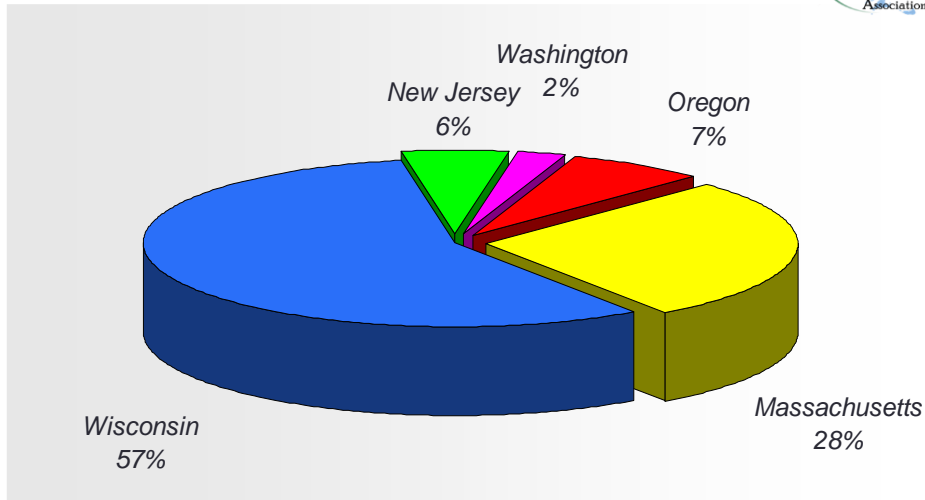
*"Standardize the barrel size,  
develop uniform pricing and  
better marketing of the crop"*



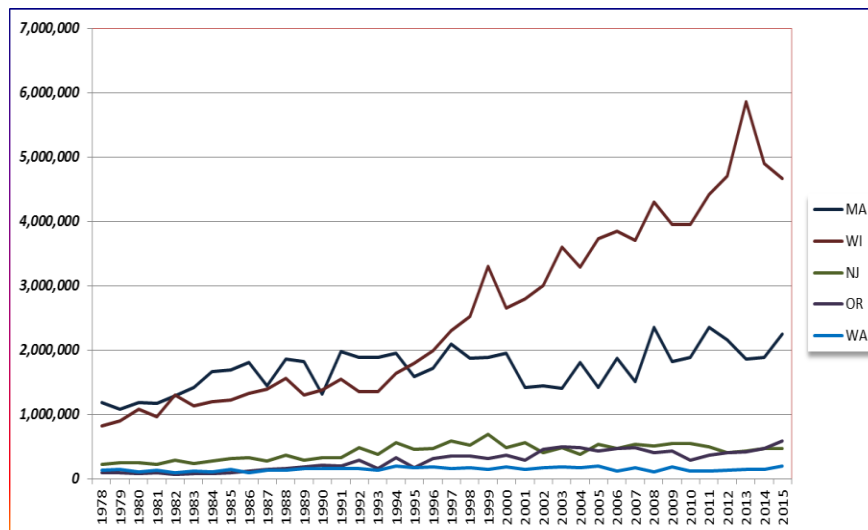
### **Today's Mission**

*"To work to enhance the  
sustainability and profitability  
of CCCGA members"*

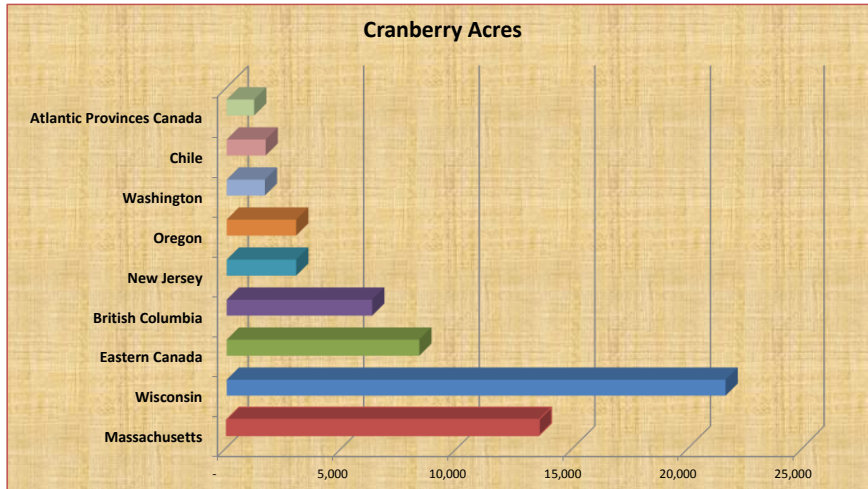
## United States Cranberry Production 2015



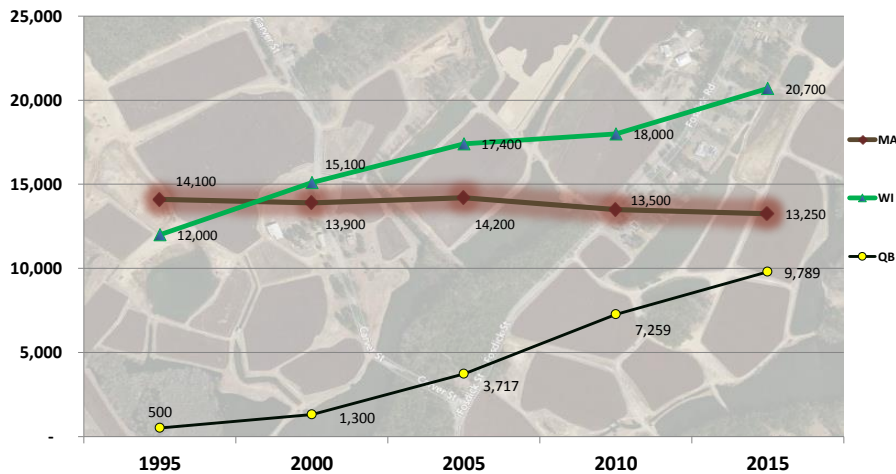
## US Cranberry Production by State, in 100 lb. barrels



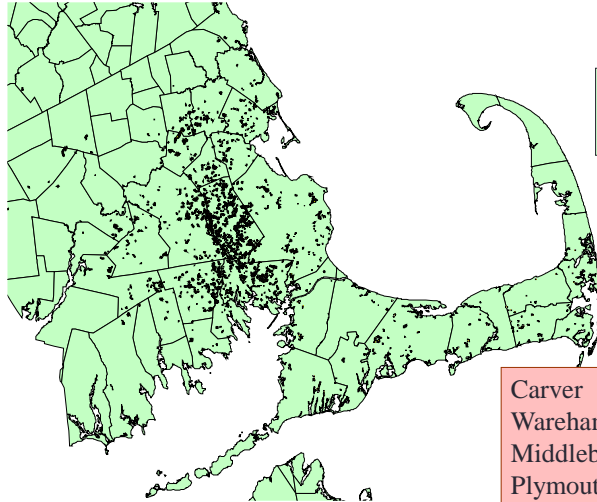
## World Cranberry Acres: 2014



## Top 3 Growing Regions Acreage: 1995-2015



## Massachusetts Acreage



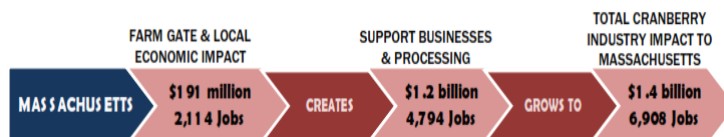
*Approximately  
13,250 acres*

Carver	3,400 acres
Wareham	1,600 acres
Middleboro	1,400 acres
Plymouth	1,200 acres
Rochester	1,100 acres

## Massachusetts Cranberry Industry



### Economic Impact of Cranberry Production in Massachusetts (2012)



Source: Based on Economic Impact of Agriculture in Eight Northeast States, (unpublished). Rigoberto Lopez, Nataliya Plesha and Benjamin Campbell, University of Connecticut, September 2014. Assumptions made by Farm Credit East to adjust economic impact and jobs to cranberry sector.

Total employment includes growing, support and processing businesses



# Production and Utilization



## Fresh Fruit

Dry harvested

Represents about 3.6% of Mass crop



## Processed Cranberries

Wet harvested

Juice, Sauce, SDC, Powder



Massachusetts has four major cranberry receiving stations, two manufacturing plants and two corporate headquarters.



Over 850 Jobs



## Massachusetts Cranberry Handlers and Processors



### **Ocean Spray: Grower Owned Cooperative**

- 278 contracts in Massachusetts
- Headquartered in Lakeville-Middleboro
- Ocean Spray also has the largest cranberry processing facility, production and storage facility in the world based in Middleboro.

### **Decas Cranberries**

- Corporate headquarters located in Carver, MA
- Carver processing facilities receive and produce, SDCs, cranberry juice concentrate, and fresh fruit.
- Decas contracts with over 125 independent Massachusetts growers.



## Growing Cranberries in Massachusetts



- Urbanization  
*3<sup>rd</sup> most densely populated state in US*
- Competition for water resources
- Strict environmental laws at federal, state and local levels
- Lack of Agricultural literacy  
*72% of consumers know little to nothing about agriculture*
- Higher cost of production due to taxes, labor, land cost.  
*MA costs 60% higher than Wisconsin*



## Demographics of MA Industry



- 70% of growers farm less than 20 acres
- Ownership: 25% of growers under age of 50; exactly half are 50-64 & 25% are 65+
- 22% of growers have farmed over 40 years
- 35% of growers are independent/commodity producers



Every acre of active cranberry bog is supported by roughly 3-4 acres of uplands and wetlands. Diversity of land types results in diverse wildlife habitat.



**Provides for Climate Resilience**  
*Flood Storage*  
*Groundwater Recharge*  
*Wildlife Habitat*



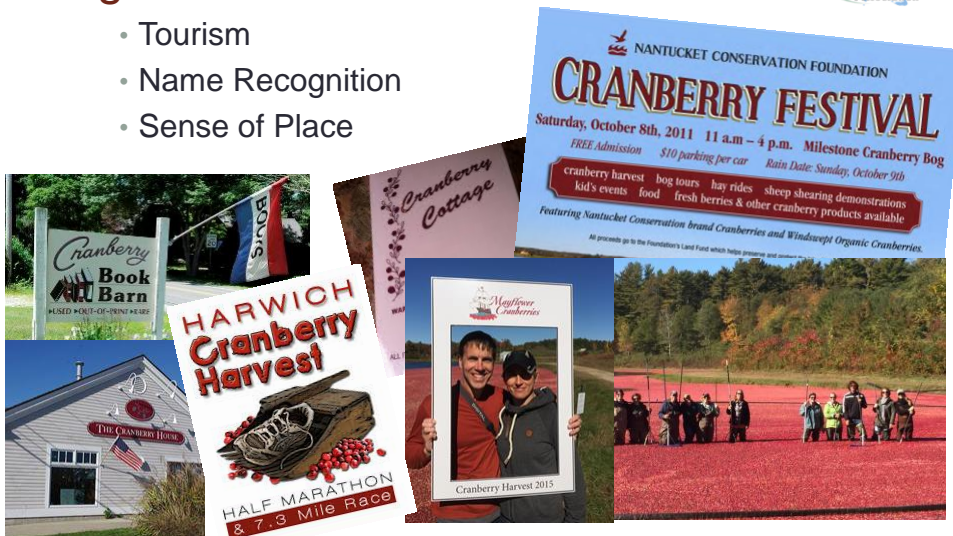
## 62,000 Acres of Cranberry Lands



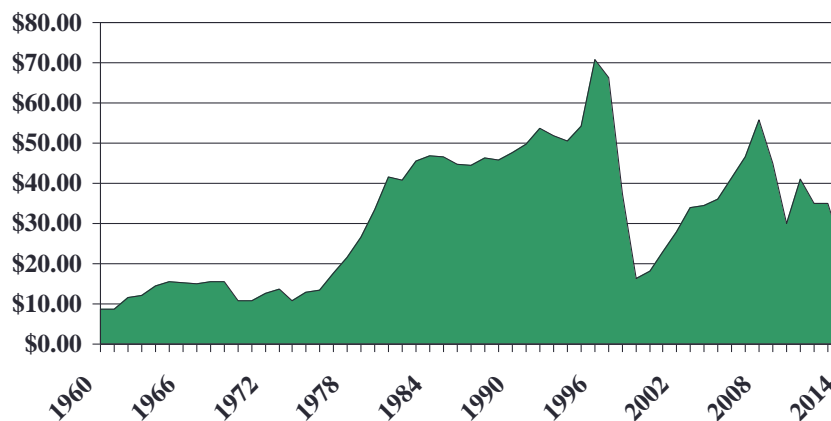
## Cranberry Agriculture Defines our Region and State



- Tourism
- Name Recognition
- Sense of Place



## Massachusetts Cranberry Prices: 1960-2014



Prices per 100 pound barrel  
Source USDA, AMS



## 1999-2000 Crash



- Grower returns dropped over 80%
- \$100 million decline in farm gate value over 2 years
- Impacted entire industry regardless of handler, region or size

### *Tools Used in That Period*

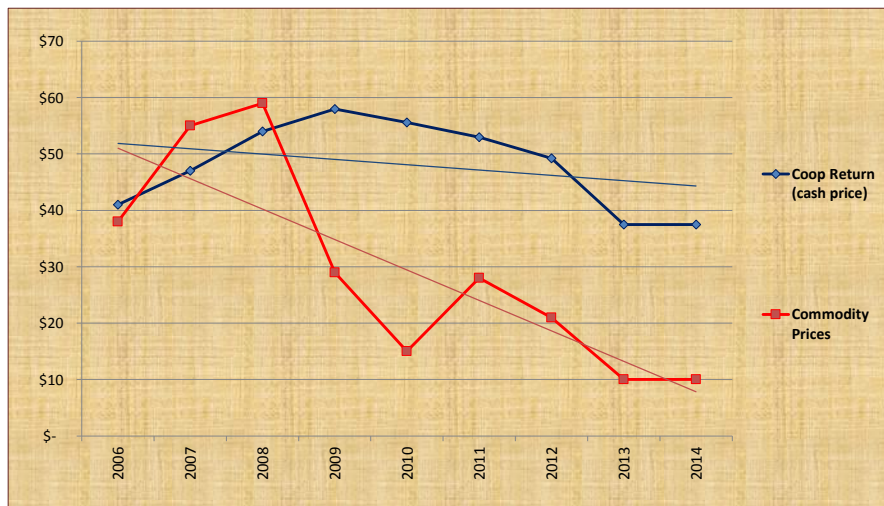
#### Federal

- Direct “market loss” payment made to growers, roughly \$5/bbl
- USDA purchases of surplus product
- Institution of production restrictions in US. 15% in 2000 & 32% in 2001

#### State

- MDAR funding for generic promotions, through USDA Specialty Crop grant
- MDAR creation of Cranberry Viability Program
- Trade Mission to Japan to promote cranberry utilization

## Grower Returns in 100 pound barrel



## Why price differentiation?



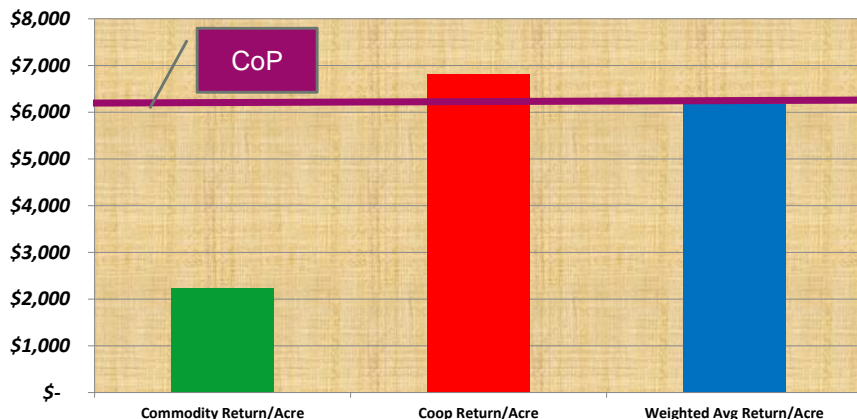
### *Cooperative Return* 65% of MA Growers

- Growers own company. Responsible for equity to manufacture, market and distribute product and thus returns are a reflection of net profits from the sale of final consumer goods
- 15% of grower returns are retained for the equity required to operate coop
- Final payment made 18 months from fruit delivery

### *Independent Return* 35% of MA Growers

- Growers under contract with privately owned or publically traded company
- Grower returns are a reflection of the value of the fruit itself
- Relationship ends at farm gate
- Returns often paid within 8-12 months of fruit delivery
- Most independent cranberries go into commodity or ingredient products as opposed to branded retail products

## Grower Returns/Acre vs Cost of Production/Acre



**CoP does not represent land accusation cost or family living.**

3 year avg. of CoP, yield and prices growers received (2012-14)  
Data from Farm Credit East and USDA National Ag Statistics Service

## Impact of Crisis



- Reduction in labor force
- No investment in technology, renovations or environmental improvements
- Off farm work required to support family
- Next Generation pursuing other opportunities
- Development of support lands
- Handlers seek raw materials from other growing regions



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