



2021 Crop Update: Montmorency Tart Cherries

Exceptional ingredients start with exceptional fresh fruit

Montmorency Tart Cherries

Michigan provides the ideal environment for cherries. Well-drained sandy soil, sloped sites to help avoid spring frost, icy cold waters, and full sun create a cool, temperate climate that nurtures the orchards from bloom to harvest. **More than two-thirds of the US Montmorency tart cherry crop is grown here on small family farms.** Cherry orchards are dormant October to March, setting next spring's buds when temperatures remain below 45°F. Every two or three years, pruning is conducted during this dormant period. Blooms appear in May, when temperatures rise above 45°F. Each bloom turns into a single tart cherry. **Harvest is fast and furious, lasting only a few weeks in late July to early August.** Two-piece mechanical harvesters surround the trunk of each tree, shake it, and catch the cherries as they drop. It only takes about 10 seconds to harvest each tree! The cherries are cooled, transported, and placed into cold storage, all within 4-5 hours of harvest. From there, they are de-stemmed, washed, optically sorted for size and quality, pitted, and quick frozen.

Past US Tart Cherry Crops

(Reported in Millions of Pounds)

2016 = 341.3

2017 = 267.4

2018 = 298.8

2019 = 256

2020 = 141.6

Note: 2012 was the last crop failure coming in at 85.2MM pounds

Michigan Tart Cherry Bearing Acreage

2016 = 27,000 Acres • 4.20 Tons/Acre

2017 = 26,500 Acres • 3.57 Tons/Acre

2018 = 26,500 Acres • 3.80 Tons/Acre

2019 = 25,600 Acres • 3.32 Tons/Acre

Crop Report – July 19, 2021

Harvest is underway in Michigan. The CIAB has released 2021 US crop estimates (shown to the right). You will see that this year's crop estimate is considerably down compared to the 10-year average US tart cherry crop, which is 247MM pounds. While we are experiencing a short crop this year, we have seen good quality coming in off the fields; fruit has been good color and continues to increase in size. Our cherry cooperative will be wrapping up harvest this week.

The EU (Poland and Turkey) has started cherry harvest, and reports currently state decent crop.

2021 US Tart Cherry Crop Estimates

District	USDA	CIAB
NW Michigan		33
WC Michigan		20
SW Michigan		15
SUBTOTAL MI	65.6	68
New York	8.3	6
Pennsylvania		1.5
Oregon		2
Utah	36.5	32
Washington	23.1	23
Wisconsin	8.5	6.5
TOTAL	142.0	139.0

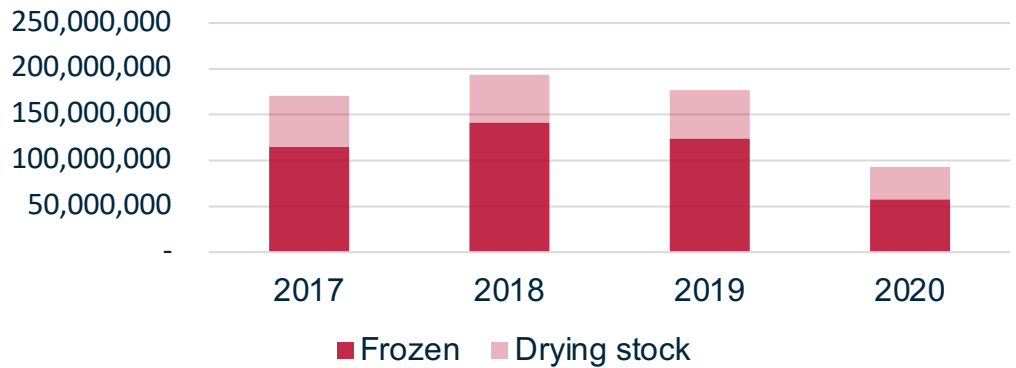
*Cherry Industry Administrative Board (CIAB)

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Frozen Tart Cherry Inventory Reported in Pounds



USDA Tart Cherry Production and Utilization Reported in Millions of Pounds

	2009	2010	2011	2012	2013	2014	2015 ⁴	2016 ⁴	2017	2018	2019	2020
MICHIGAN												
NW	¹ 185.3 ¹	¹ 72.5 ¹	¹ 92.5 ¹	¹ 2.5 ¹	¹ 122.9 ¹	¹ 137.6 ¹	¹ 87.8 ¹	¹ 147.6 ¹	¹ 128 ¹	¹ 115.2 ¹	¹ 100.8 ¹	¹ 42.2 ¹
WC	¹ 62.9 ¹	¹ 53.0 ¹	¹ 47.7 ¹	¹ 7.8 ¹	¹ 60.6 ¹	¹ 44.4 ¹	¹ 36.4 ¹	¹ 67.9 ¹	¹ 35.1 ¹	¹ 60.5 ¹	¹ 35.7 ¹	¹ 21.8 ¹
SW	¹ 16.5 ¹	¹ 14.5 ¹	¹ 16.8 ¹	¹ 1.2 ¹	¹ 28.7 ¹	¹ 18.6 ¹	¹ 32.5 ¹	¹ 22 ¹	¹ 33.6 ¹	¹ 25.4 ¹	¹ 27.5 ¹	¹ 4.4 ¹
OTHER	² 1.3 ²	² -5.0 ²	² 0.5 ²	² 0.1 ²	² 6.5 ²	² 2.4 ²						
TOTAL	³ 266.0 ³	³ 135.0 ³	³ 157.5 ³	³ 11.6 ³	³ 218.7 ³	³ 203.0 ³	³ 156.7 ³	³ 237.5 ³	³ 196.7 ³	³ 201.1 ³	³ 164.0 ³	³ 68.4 ³
LAKE STATES												
MI	266.0	135.0	157.5	11.6	218.7	203.0	156.7	237.5	196.7	201.1	164	68.4
NY	11.2	7.8	5.9	2.7	12.0	10.3	10.2	7.7	7.4	12.8	4.2	9.9
PA/OHIO	3.9	2.3	3.2	3.3	2.2	0.9	6.9	0.7	2.3	3.4	3.4	1.7
WI	10.9	5.7	6.7	1.8	12.3	12.3	8.7	13.4	10.4	8.5	8.5	9.7
TOTAL	292.0	150.8	173.3	19.4	245.2	226.5	182.5	259.3	216.8	225.8	180.1	89.7
WESTERN STATES												
OREGON	3.2	1.2	2.5	1.0	4.3	2.2	1.5	4.5	1.1	2.2	1.2	3.3
UTAH	47.0	23.0	35.0	40.0	26.8	51.0	40.3	49.6	25	44.6	51.7	27.7
WASHINGTON	16.7	15.4	20.9	24.8	17.9	24.3	25.0	27.9	24.5	26.2	23	20.9
TOTAL	66.9	39.6	58.4	65.8	49.0	77.5	66.8	82.0	50.6	73.0	75.9	51.9
	358.9	190.4	231.7	85.2	294.2	304.0	249.3	341.3	267.4	298.8	256.0	141.6
SUPPLY FOR PROCESSING												
TOTAL U.S.	319.8	183.0	230.1	85.0	289.3	298.7	249.9	318.1	253.3	288.0	225.0	320.2

2021 Crop Update: Cultivated Blueberries

Exceptional ingredients start with exceptional fresh fruit



Cultivated Blueberries

Cultivated blueberries thrive on cool nights, hot days, clear blue skies, well-drained acidic soil, and pure freshwater. Fields are planted in rows, and plants grow as high as 6 feet. White blossoms appear in the spring; each blossom becomes one blueberry. Blueberries used for processing are harvested by machines that move slowly along the rows of blueberry plants, gently agitating them so that ripe berries fall into a catching frame. The berries are gathered into large bins and transported to a processing plant where they are inspected, washed, sorted, and frozen. **Peak harvest season in North America is mid-June to mid-August**, although the season runs from April through September.

Region	2019 Crop Year Total Frozen MM LBS	2020 Crop Year Total Frozen MM LBS	2019 Total MM LBS	2020 Total MM LBS
US West Coast	212	215	384	377
Midwest (MI)	39	32	88	77
Northeast (NJ)	8	6	39	37
US Southern	38	31	157	123
British Columbia	115	90	195	150

Crop Report – July 19, 2021

Blueberry supplies in North America are currently tighter than anticipated. The heatwave affected large swaths of the West Coast – inconsistent reports are coming in, some reporting no problems to their crop while others saw full crops of sunburnt blueberries. All are watchful on crop outcomes as the West Coast remains the largest growing region.

Cultivated blueberry harvest is underway here in Michigan; most berries picked right now will go to the fresh market. We will see picking for the processed market start to increase. Michigan cultivated blueberries continue to do well, reporting good quality.

Reports coming in from New Jersey state that there is less fruit than initially anticipated. US Southern is still picking but the season is wrapping up quickly. Typically, the fruit coming out of these regions primarily supply customers of the region. British Columbia is also starting harvest, and having also experienced that same heatwave, growers in the Eastern part of the province look to be more affected than growers in the Western part of the province.

Anticipating pricing increases due to strong demand, low frozen inventory, potential issues coming out of the West Coast, and overall price increases farmers are facing i.e., labor, supply chain, materials.

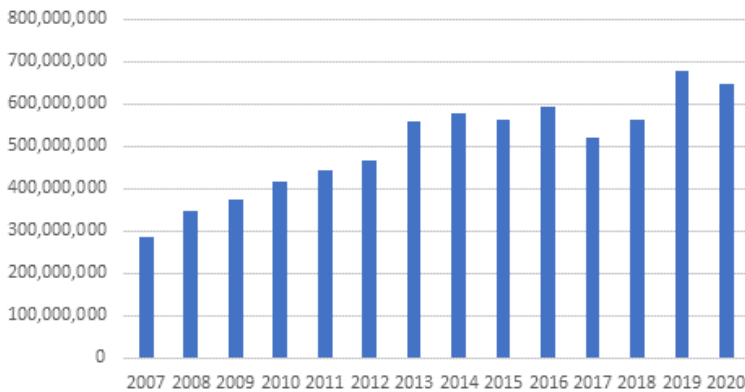
2021 Crop Update: Cultivated Blueberries

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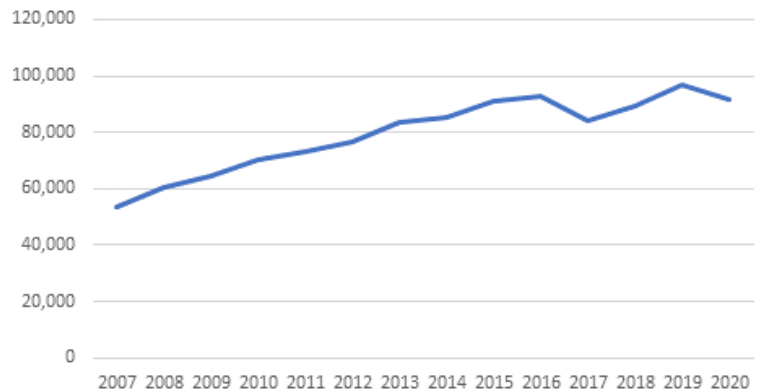


USDA Cultivated Blueberry Production and Utilization Reported in Pounds

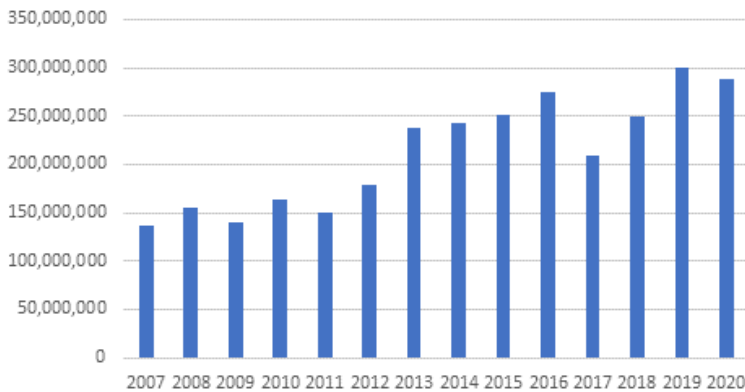
US Cultivated Blueberry Production in Pounds -



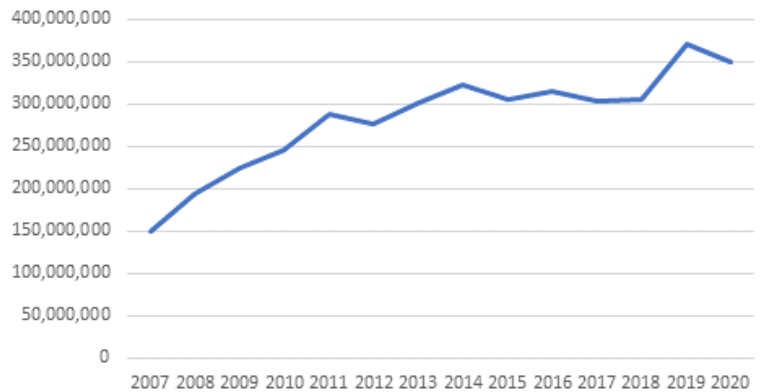
US Cultivated Blueberries Acres Harvested



Blueberry Production for Processing - Frozen



Blueberry Production in lbs - Fresh Market



2021 Crop Update: Wild Blueberries

Exceptional ingredients start with exceptional fresh fruit

Wild Blueberries

Wild blueberries grow exactly as their name suggests...wild...on barrens found only in Maine, Atlantic Canada, and Quebec. Wild blueberries are not planted, they are managed. They spread naturally and slowly from where mother nature put them over 10,000 years ago. **Harvest starts in late July and continues through August.** If a barren is flat and open, it can be harvested by machine. Rocky, hillside, or forest barrens are harvested by hand, using specialized rakes that separate the fruit from the vines and leaves. Winnowing machines are used in the field to remove leaves and twigs before the berries are transported to packing facilities. State-of-the-art technology is used to clean, inspect, sort, and freeze the fruit, all within hours of being picked.

Wild blueberries grow on a two-year cycle. Year one produces fruit buds and year two produces the luscious wild fruit. Each year, half of a grower's land is managed to encourage vegetative growth and the other half is prepared for harvest. After harvest, the barrens are pruned to the ground by flail mowing or burning to keep the native plants dominant and productive.

Crop Report – July 19, 2021

Wild blueberries grow along the Eastern Seaboard where the weather is known to be unpredictable. Four out of the five major growing regions remain on track for an average wild blueberry crop. Quebec did suffer frost damage early this year and has varying reports of damage, 20-40% of an average crop due to this early frost event.

Maine has struggled somewhat in recent years due to factors such as last year's drought and volatile markets. Farmers produced 47.4 million pounds of Maine wild blueberries last year, which was the lowest number since 2004.

Similar to cultivated blueberries, wild blueberries are also facing declining frozen inventory levels and strong demand. Current inventories are sold, placing many customers on allocation, with contracts from this year using the new crop as part of the volume. Due to this strong demand, we may face an increase in pricing even if we have a larger crop.

2021 Crop Update: Cranberries

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3-Step Wet Harvesting Process September – October



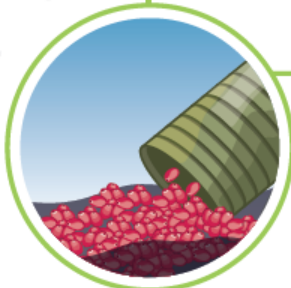
STEP 1

Water is released onto the cranberry bog, flooding it with enough water to just cover the vine tips



STEP 2

Water reels are driven onto the bog, knocking the fruit from the vines allowing it to float to the surface



STEP 3

Fruit is corralled and taken off the bogs with pumps or conveyors into waiting trucks, then is taken to the receiving station for cleaning and eventual processing

Cranberries

Cranberries are one of only three fruits native to North America and one of the most unique fruits in the world. Each berry has four internal air chambers that allow the fruit to float, and bounce when they are fresh!

Cranberries grow on low-running, woody, perennial vines that can produce fruit for hundreds of years. The vines thrive on the special combination of soil and water properties found only in wetlands, known as “bogs” or “marshes”: acid peat soil beds layered with sand, gravel, and clay; abundant pure freshwater; a growing season from April to November; and a dormancy period over the winter to provide the extended chill necessary to mature fruiting buds.

Nearly three-quarters of the world’s cranberries are grown in the United States, and **over 60% of the US crop is grown in Wisconsin, the primary source for Graceland Fruit cranberries.**

Crop Report – July 19, 2021

We have boots on the ground! Our Grower Relations Agent meets with our cranberry growers at their marshes, helping to monitor crop outlook, collecting reports, and remaining in constant daily contact with our growers. At this time, we are getting reports of an “optimistically average crop.”

Wisconsin cranberries are starting to show signs of some minor issues with the Stevens variety, but the earlier hybrids seem to be on track for a good year.

The crop in Canada appears to be coming on stronger now. More growers in this region are switching from organic to conventional, and we expect a volume increase to be available this year.

Harvest is just a few short months away now, and our team continues to monitor crop outlooks.

5 Year Comparison by Crop Year – Reported in Barrels

1 Barrel = 100 Pounds

	2020	2019	2018	2017	2016
Beginning Inventory					
Barrels Unfrozen:	0	0	0	0	0
Barrels in Freezers:	1,726,311	2,484,365	2,281,453	4,175,273	2,773,027
Barrels in Process Form:	1,020,448	1,671,832	2,016,816	1,842,736	2,024,414
Barrels in Concentrate Form:	2,017,370	1,780,092	2,586,624	3,727,372	3,508,002
Inventory Before Adjustments:	4,764,129	5,936,289	6,884,893	9,745,381	8,305,443
Adjustments:	0	3,483	-394	-121,300	-14,375
Adjusted Beginning Inventory:	4,764,129	5,939,772	6,884,499	9,624,081	8,291,068
Sources					
Massachusetts, Rhode Island, Connecticut:	1,876,891	2,015,713	2,237,243	1,758,592	2,102,566
New Jersey:	513,801	447,723	447,592	422,830	575,192
Oregon:	546,251	515,038	544,464	474,359	379,458
Washington:	185,686	141,863	180,778	130,684	159,475
Wisconsin, Michigan, Minnesota:	4,609,882	4,485,133	5,271,545	5,335,325	6,040,837
Other states:	0	0	0	196	217
Total Domestic Acquired:	7,732,511	7,605,470	8,681,622	8,121,986	9,257,745
Foreign Acquired - Fresh:	41,704	75,156	76,013	86,617	86,119
Foreign Acquired - Processed:	1,422,735	1,456,933	1,928,564	1,255,110	1,972,466
Foreign Acquired - Concentrate:	2,827	50,491	19,831	75,605	61,609
Total Barrels Acquired:	9,199,777	9,188,050	10,706,030	9,539,318	11,377,939
Barrels in Transit:	27,344	132,195	109,983	54,880	-113,707

Average Yield per Acre – Reported in Barrels

1 Barrel = 100 Pounds

	2011	2012	2013	2014	2015	2016	2017	2018	2019
MA, RI, CT	181	166	141	153	166	163	131	176	152
NJ, NY	165	179	170	190	145	186	169	144	160
WI, MI, MN	245	239	278	238	227	286	259	255	207
OR	129	139	142	170	187	136	169	194	181
WA	72	80	87	94	123	100	87	121	83
US Total	201	197	210	198	195	223	198	213	180