



Cranberry Industry: Multilayered and Multi-tiered

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Key Points:

- Cranberries are grown almost exclusively in North America (the U.S. and Canada), due to the climate and the presence of other environmental factors necessary for growing them.
- At present, the cranberry market is oversupplied; and the industry is facing major headwinds at all levels of the supply chain, marring the anniversary of its 200th year of commercial production.
- Global demand for cranberries has lagged behind supply growth for about the past ten years, prompting a marked drop in grower prices. Nonetheless, those growers with the higher-yielding, modern varieties are managing to remain profitable, despite the lower per barrel returns.
- In varying degrees, most growers have developed a number of different strategies for ensuring their long-run survival, including (a) reducing their production costs, (b) renovating their bogs with higher-yielding cultivars, and (c) utilizing new technology and innovations.
- Hoping to duplicate their past success, cranberry industry executives have launched several marketing campaigns and initiatives designed to expand domestic and overseas demand, thereby easing the oversupply and the downward price pressures.
- Cranberries are very healthy and versatile – traits that are highly prized by today’s health conscious consumer. With the rise in global affluence and demand for healthy food items, cranberry products are becoming more affordable and desirable, opening up new markets.
- Despite the current soft market conditions, the industry’s stakeholders continue to invest in new varieties, new technology, and new equipment. In addition to generating confidence in the future of the cranberry industry, their continued investment keeps this heritage industry vibrant and will ensure the survival of this North American tradition.