Congress of the United States

Washington, DC 20510

November 25, 2019

The Honorable Robert Lighthizer United States Trade Representative 600 17th Street NW Washington, DC 20508

Dear Ambassador Lighthizer:

We write to urge you to explore new markets for United States cranberry farmers to compensate for the impact of China's 40 percent tariff on cranberries.¹ The U.S. cranberry industry has experienced an estimated \$42.8 million loss this year due to the Chinese tariff.² The industry's effort to establish international markets to adjust for the domestic cranberry market is now in jeopardy, as Chinese buyers are turning away from U.S. cranberry producers to more affordable alternatives.³

Throughout the past decade, the price of cranberries has dropped approximately more than 50 percent due to overproduction.⁴ To increase sales, the industry sought out international markets. By 2018, China became the largest consumer of cranberries, purchasing approximately \$55 million of dried cranberries.⁵ In a five-year span, the U.S. cranberry industry was able to increase its sales of dried cranberries by more than 1,000 percent.⁶

After spending five years successfully cultivating a market for U.S. cranberries in China, U.S. cranberry farmers are now losing their business in China to other countries because of the 40 percent tariff on their product.⁷ Cranberry growers already worried about making ends meet are deeply unsettled by the immediate impact of these tariffs, and the long-term ramifications of being shut out of the Chinese market.⁸

⁶ Id.

7 Id.

¹ WBUR, "How the Trade War Crushed a Growing Chinese Market For U.S. Cranberries," Adrian Ma, September 16, 2019, <u>https://www.wbur.org/bostonomix/2019/09/16/china-america-cranberry-trade-impacts.</u>

² Boston Globe, "Ocean Spray wades into new water with a line of tea tonics and oat milk elixirs," Janelle Nanos, October 10, 2019, <u>https://www.bostonglobe.com/business/2019/10/10/ocean-spray-wades-into-new-waters-with-line-tea-tonics-and-oat-milk-elixirs/BMDqOWWxdCw0UERZgCQnzO/story.html.</u>

³ WBUR, "How the Trade War Crushed a Growing Chinese Market For U.S. Cranberries"; Boston Globe.
⁴ AP News, "Cranberry farmers want to build solar panels over their bogs," Philip Marcelo, October 30, 2019, https://apnews.com/6bbb08841ba14027825f0c9992307203; WBUR, "How the Trade War Crushed a Growing Chinese Market For U.S. Cranberries."

⁵ WBUR, "How the Trade War Crushed a Growing Chinese Market For U.S. Cranberries."

⁸ Patriot Ledger, "Cranberry growers buffeted by trade war, oversupply," David Kindy, October 22, 2019, https://www.patriotledger.com/news/20191011/south-shore-cranberry-growers-buffeted-by-trade-war-oversupply.

Facilitation Program to provide direct payments for cranberry producers affected by tariffs imposed by China.⁹ In November 2018, the Commonwealth of Massachusetts began offering producers stipends to build solar panels over cranberry bogs.¹⁰ While these efforts offer immediate support to cranberry producers, they are not permanent solutions. We hope that the USTR can provide support to find other markets for this critical U.S. industry, and work creatively to help relieve the economic pressure faced by producers.

We urge you to provide solutions and resources to reduce the loss to the industry as soon as possible. We thank you for your prompt attention to this issue and request a response by December 9, 2019.

Sincerely,

beth Warren

Elizabeth Warren United States Senator

Edward J. Markey United States Senator

William R. Keating

William R. Keating Member of Congress

Joseph P Kennedy III Member of Congress

⁹ U.S. Department of Agriculture, "USDA Announces Support for Farmers Impacted by Unjustified Retaliation and Trade Disruption," press release, May 23, 2019, <u>https://www.usda.gov/media/press-releases/2019/05/23/usda-announces-support-farmers-impacted-unjustified-retaliation-and</u>.

¹⁰ WBUR, "Can Solar Power Save Massachusetts' Cranberry Bogs?," Chaiel Schaffel, September 2, 2019, https://www.wgbh.org/news/local-news/2019/09/02/can-solar-power-save-massachusetts-cranberry-bogs.