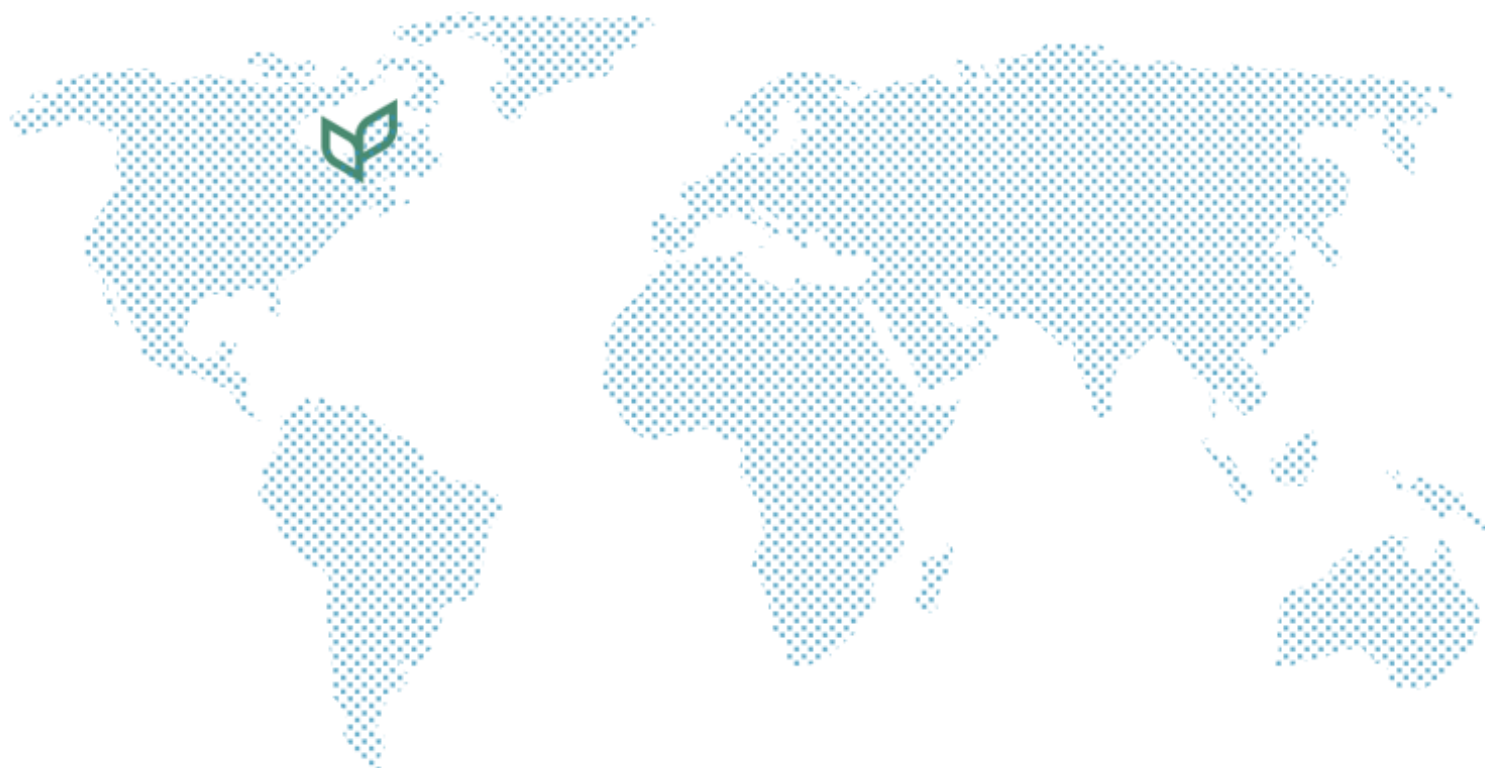




**CANAGRO  
FOODS**



## **PERIODIC MARKET OVERVIEW**

November 25, 2022

Waterloo, ON Canada



**Dear Valued Customer,**

Tab 1

In this update we would like to provide you with the latest information related to expected **cranberry crop** and **market situation in North America** for 2022/2023 season.

## **Cranberries Harvest Overview**

Based on the latest available information the cranberries harvest this year is exceptional in terms of the quality of the fruit and its abundance, at least for the Quebec and New Brunswick regions. Although official statistics are not available yet, it is almost certain that these two producing regions will record their best harvests ever.

### **Fall 2022**

Several factors explain this result. The first is undoubtedly the climatic conditions which were very favourable to fruit growth. Yields in the fields increased compared to previous years, even though some indicators initially suggested that the crop would be average. The second factor is the increase in production area which continues to expand in both Quebec and New Brunswick. Finally, and to a lesser extent, there is the return of some growers who have abandoned organic cranberry production to return to so-called conventional production, which is less demanding and complex than organic production.

For the other cranberry-producing regions, namely Wisconsin, British Columbia and the western part of the United States, the situation is not as positive. In Wisconsin, the largest cranberry-producing state in the world, yields were lower than expected. As a result, the harvest yield in this region was below average. Although the quantity was promising, the little red fruit apparently did not develop sufficiently.

As for the western regions where the climate is normally quite temperate, last summer's unusual heat affected production and impacted yields which have significantly decreased.

In Massachusetts, the harvest is not completed yet. Even though there is still almost 10% of the crop yet to be picked, we note that the drought that marked the summer season in this region has not had any negative consequences, as the region is estimating normal yields.

Overall, the predictions made by the CMC at the beginning of the season are not expected to materialize. They estimated a U.S. crop of 830 Mlbs which will most likely be closer to 750 Mlbs. With the acquisition of cranberries in British Columbia and Quebec by U.S. processors, the available volume should be around 930 Mlbs, while sales in the last 3 years have been above 1,000 Mlbs. The volumes will therefore not be sufficient to meet the demand.



## Market Situation

Over the past year, we have seen significant variations in the price and demand for cranberry products. In the case of dried cranberries, prices have even reached record highs. The current harvest will allow a return to normal and will also allow us to replenish our inventories, which had greatly decreased following the previous harvests. To date, the inventory has not been restored to an acceptable level for some products. This is the case for juices and concentrates, whose prices are subject to significant upward fluctuations.

For dried cranberries, prices are currently stabilizing after some correction following the peak prices reached in August 2022. Depending on harvest data, we can expect current prices to continue over the next few weeks. A further decline is highly unlikely.

We recommend that you plan your needs for the coming year and contact us to secure your volumes.

Tab 2



Thank you for your business,

Canagro Foods Team  
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