

- C. The 1959 crop totaled 1,252,000 barrels. A return of \$10.34 per barrel would bring the farm value of this crop up to the average of the last two years, \$13 million. The objective of the program would be something less than this.
- D. Sales from the 1959 crop have brought in a sum which, spread over the entire 1959 production, averages approximately \$2.30 per barrel. There will probably be some additional earnings.
- E. Payments are contemplated which would be something less than \$8.00 per barrel. Together with the \$2.30 already earned, \$8.00 would bring farm value up to the average level of the last two years.
- F. This payment would be made in two installments. One would be made soon; the other would be made at the termination of the marketing season. This final payment would reflect financial experience between now and the end of the season. If the industry should achieve large earnings, the payment would be correspondingly reduced.
- G. Associated with the foregoing will be a program of testing by HEW and the trade. This, together with stock rotation by the trade will have the effect of assuring the consumer that every can of cranberries on the grocery shelves is wholesome.
- H. The effect of this program would be:
  - 1. To provide the cranberry industry with a large stock of wholesome berries, in effect made practically cost-free by the payment program, with which to carry on a promotional campaign.
  - 2. To keep the cranberries in the hands of the trade, and to cause it to be in the interest of the trade to make disposal of such cranberries as do not have a reasonable prospect for sale during the remainder of the present marketing year.
  - 3. To carry into the 1960 marketing season only such cranberries as are needed to smooch the transition to the new crop.
  - 4. To avoid the costs of inspecting and processing berries for which no market is promised.
- I. The Department of Agriculture does not intend to utilize a program in any way similar to this one for 1960. It is recognized that consumer confidence may not be fully restored by the Fall of 1960. However, it is felt that there will be an opportunity, if difficulty threatens in dealing with the 1960 crop, to refrain from the use of irrigation water, to leave berries unharvested, to adopt a marketing order, or to attack the problem in some other appropriate manner.

O.F.

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## PROPOSED CRANBERRY PROGRAM

### I. Objectives.

- A. To rebuild public confidence in the wholesomeness of cranberries.
- B. To minimize losses to growers.
- C. To use the existing stocks, to the degree possible, for promotional purposes.
- D. To avoid a heavy carry-over and see that the way is cleared for the 1960 crop.

### II. Responsibilities.

#### A. The Department of Agriculture.

1. Inaugurate a payment program, described below.
2. Help the industry with a promotional program.
3. Provide emergency credit (already undertaken).

#### B. The Department of Health, Education and Welfare.

1. Take leadership, in cooperation with the trade, in certification for wholesomeness of such an amount of cranberry stocks as have some reasonable prospect of being moved into consumption.

#### C. The industry.

1. Cooperate with HEW in a testing program, utilizing some of the funds from the payment program for hiring qualified technical personnel.
2. Take responsibility for assuring the removal of uncertified berries from the grocery shelves, and replacement with certified berries.
3. Undertake a promotional program cooperatively with USDA to move as much product as possible and rebuild confidence.

### III. Outline of the USDA payment program.

- A. This would be a payment program, working through the cooperative and with some individual growers, based on paragraph 3 of Section 32.
- B. Its purpose would be to make up the major share of the difference between what is actually realized from disposal of the 1959 cranberry crop and the average farm value of the crop during the last two years. The cost of the program would be in the neighborhood of \$10 million or less. Funds are available. Neither appropriations nor authorization is required.