



B E D E M C O I N C .
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June 10, 2004

Docket Clerk
Marketing Order Administration Branch
Fruit and Vegetable Programs
Agricultural Marketing Service
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
STOP 0237
Washington D.C. 20250-0237

Fax # (202) 720-8938

Reference: Docket No. FV01-926-1 PR – Proposed Data Collection, Reporting, and Recordkeeping Requirements Applicable to Cranberries Not Subject to the Cranberry Marketing Order
Date – Federal Register, Vol. 69, No. 70 - Monday, April 12, 2004
Page #19118

To Whom It May Concern:

As an importer of cranberry products, we submit to you our comments and observations regarding the rule being proposed by the Agricultural Marketing Service referenced above. As stated, this proposal would require importers who are not currently subject to the Federal cranberry marketing order to begin reporting sales, acquisition and inventory information to the Cranberry Marketing Committee, and to open our records and premises for the Committee's audit and inspection.

We are surprised to find more regulation and inspection being proposed for information that already exists and is collected for imported cranberry products. With the explosion of new requirements and regulations for food products in the U.S., all of the governmental agencies including U.S. Customs, the USDA and FDA as well as the import companies are strained to meet the new demands. Further, with the constraint of federal budget deficits and the added costs involved, this new proposal does not in our opinion address the basic problem for the cranberry agricultural community – finding and developing new products and markets to utilize the increased production of cranberries. We submit our observations and comments for your consideration as follows:

- 1) **Violates the spirit of free trade and NAFTA** – In targeting importers in particular, it is our belief that this action violates both the current NAFTA agreement, and initiatives of free trade as promoted by this administration and the World Trade Organization.
- 2) **Proposes release of proprietary information** – As a private business, we are being asked to divulge proprietary information about our product sources and acquisitions, inventory levels and sales and to open our premises to authorized agents of the Cranberry Marketing Committee. We have no representation on the Committee, and receive no exposure from the marketing programs as developed by them. Yet, we are being asked to deliver into the Committee's hands highly sensitive and competitive information, to individuals who are our direct competitors in the market. We do not in return have similar access to their information, putting us at a considerable competitive disadvantage. In the spirit of free enterprise, we submit that this is not equitable.

Docket Clerk
Marketing Order Administration Branch
Agricultural Marketing Service, USDA
Reference: Docket No. FV01-926-1 PR
June 10, 2004
Page 2

3) **Duplicates efforts and information already available** – As described in this proposed rule, a primary objective is to identify the source of cranberries entering the U.S. We find this particularly puzzling for imported cranberry products, since all of this information and more is submitted to U.S. Customs at the time of entry into this country. Further, as agricultural products, cranberries are further regulated by FDA at the time of entry. This information is already being collected, and import statistics are already available indicating the sources and quantities of cranberries entering the country. In fact, the foreign acquired figures are already being reported by the Committee.

4) **No benefits to non-members** – Since we are not members of the Cranberry Marketing Committee, we receive no benefit from their programs and initiatives. We have expended our own efforts and monies to generate markets for the cranberry products that we sell. Again, to reveal proprietary information with no benefit for our own marketing efforts is not a fair arrangement.

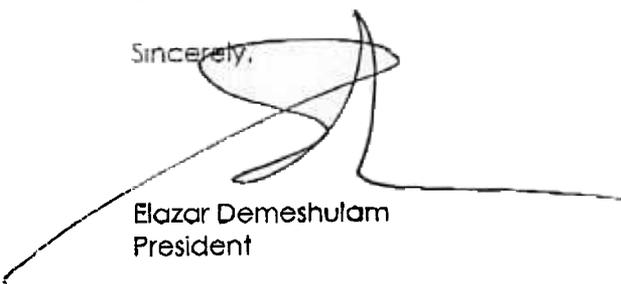
5) **Real issue of surpluses versus new markets** - As described in the proposed rule, the Committee is already aware that there is an overproduction of cranberries. They are not, however, developing enough effective marketing programs and new products to utilize the surplus, rather indicating that the problem is stagnant markets and incomplete information. We believe that generating more paperwork and regulation will not solve the dilemma of product surpluses and the need to return fair value to producers.

For all of the above reasons, we do not feel that the proposed rule should be put into effect. It will add further demands and documentation to the heavy burden that governmental agencies and import food companies carry in their daily operation for imported food products. This information to be collected and reported duplicates what is already being done at further expense, and violates the American spirit of free enterprise.

Further, we believe that it will not provide any real assistance to the Cranberry Marketing Committee in making recommendations to USDA. Rather, we feel that it is protectionism at its worst, and does not address the need for invigorating and expanding the markets for cranberry products, both domestically and abroad.

Please contact us if we can provide further information. We await the final decision of USDA on this issue.

Sincerely,



Elazar Demeshulam
President