



Via Fax 2

USDA
OALJ/HCO

June 30, 2004

2004 JUN 30 P 5: 26

Hearing Clerk
Office of Administrative Law Judges
Room 1081-S
1400 Independence Avenue, SW
Washington, DC 20250-9203

RECEIVED

Re: Docket Nos. AO-341-A6; FV 02-921-1

To Whom It May Concern:

The following comments regarding the proposed regulations, as published in the Federal Register volume 69, pages 23330-23367, are submitted on behalf of Ocean Spray Cranberries, Inc.

Ocean Spray is an agricultural cooperative owned by more than 700 cranberry growers and 120 grapefruit growers located throughout the United States and Canada and was founded in 1930 by three cranberry growers from Massachusetts and New Jersey. Ocean Spray markets and sells in excess of sixty percent (60%) of the North American cranberry crop annually. Ocean Spray is North America's leading producer of canned and bottled juices and juice drinks, and has been the best-selling brand name in the canned and bottled juice category since 1981. Ocean Spray employs more than 2,000 people worldwide, with our headquarters located in Lakeville-Middleboro, Massachusetts. Ocean Spray's fruit receiving stations, processing and bottling plants are located throughout the United States.

Ocean Spray is hereby submitting comments on two issues that we believe impact our growers and our Cooperative.

Ocean Spray agrees with the USDA, for the many reasons articulated by the USDA in **Material Issue Number 15 - Handler Marketing Pool and Buy-Back under the Producer Allotment Program**, that the record does not support a handler marketing pool and supports the USDA's position on this issue.

However, Ocean Spray believes that the USDA should include the production areas of Maine, Delaware and New York in its definition of production areas and does not agree with the USDA's analysis in **Material Issue Number 17 - Expansion of Production Area**. The production area should be expanded to include cranberries grown in Maine, Delaware and New York because cranberries grown in these regions compete for the same markets and customers as cranberries grown in production areas currently covered by the Cranberry Marketing Order. Growers in the covered production areas have funded the Cranberry Marketing Committee's successful efforts to promote the health and wellness of cranberries worldwide. All cranberry growers in the United States have benefited from the Marketing Committee's efforts, including the growers in Maine, New York and Delaware who have not financially contributed to these efforts.

In addition, since all cranberries grown in the United States compete for the same customers and markets, it is fundamentally unfair that in a time of oversupply that the growers in Maine, Delaware and New York would not be subject to volume restrictions approved by the USDA. In a unified market, all growers should be subject to the same rules and regulations. The burden of growing demand for cranberries and the burden of addressing oversupply should not fall on only a portion of the United States cranberry growers, but should be borne by all growers equally.

Ocean Spray Cranberries wishes to acknowledge the USDA for its tireless efforts to improve the industry in general, and specifically, for the efforts to improve the Cranberry Marketing Order. Thank you for your consideration and we look forward to working with the agency in the future.

Sincerely,

Randy C. Papadellis
President & Chief Executive Officer