



INGREDIENT
TECHNOLOGY
GROUP

Press Information

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OCEAN SPRAY ANNOUNCES AUCTION RESULTS AND ENHANCEMENTS TO UPCOMING AUCTIONS

Ocean Spray held its latest auction of cranberry concentrate on January 28, 2011. Across three contracts, pricing for Ocean Spray's concentrate increased an average of 17% compared to the closing prices from the October 2010 auction.

A total of 14 companies participated in the auction, with Ocean Spray selling 143,800 gallons of concentrate. The closing prices were \$19.50 per gallon for the first contract delivery period (three months), \$20.00 per gallon for the second delivery period (six months), and \$21.00 per gallon for the third delivery period (six months).

"Rising concentrate prices likely reflect the current state of supply and demand," said Mike Stamatakos, Vice-President Agricultural Supply and Development at Ocean Spray. "Based on Cranberry Marketing Committee data, demand for cranberry ingredients is up, while the 2010 crop was smaller than either of the two prior crops."

Ocean Spray also announced future enhancements to the auction process that are intended to provide participants with more transparent information regarding opening prices and quantities:

- To remove speculation regarding how the opening price is set, the opening prices for future auctions will be set automatically at 85% of the previous auction's closing prices. Potential participants will therefore know opening prices for the next auction as soon as the results of an auction are published. The 85% protocol has been successfully used in international dairy industry auctions run by trading manager, CRA.

- To reinforce Ocean Spray's commitment to supply cranberry concentrate reliably and consistently to its industrial customers, the Company will issue a yearly schedule of trading events and the total amount of cranberry concentrate expected to be offered over the upcoming 12-month period. This annual offering schedule will be published in early February to allow participants to plan ahead for their cranberry concentrate needs.

Based on its new protocol for establishing opening prices (i.e., 85% of the prior closing prices), the opening prices per gallon for the next auction will be:

- \$16.58 for contract 1 (85% of \$19.50)
- \$17.00 for contract 2 (85% of \$20.00)
- \$17.85 for contract 3 (85% of \$21.00)

"We want to make the buying process for cranberry concentrate as efficient, transparent and consistent as possible," Stamatakos commented. "We believe the changes will give participants more information in advance of the auction to assist them in their buying decisions. Also, by using the 85% formula to set opening prices in future auctions, we want to make it clear that these opening prices do not reflect Ocean Spray's assessment of market pricing but are simply used as the starting point for bidding."

Ocean Spray's cranberry concentrate is a key ingredient in beverages and a variety of other products worldwide. The company established its online trading events to ensure a fair and transparent platform on which to trade Ocean Spray cranberry concentrate. More information can be found at www.cranberryauction.info, where details of upcoming auctions will be posted.

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Editor's note

About Ocean Spray

Ocean Spray is an agricultural cooperative owned by more than 700 cranberry growers as well as more than 50 grapefruit growers. 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 posted fiscal 2010 gross sales of over \$2 billion. Ocean Spray's Ingredient Technology Group (ITG) sells cranberry concentrate worldwide, and offers an extensive portfolio of other fruit ingredients including sweetened dried cranberries, BerryFusions® Fruits, cranberry powders and purée – with total annual sales of approximately \$140 million.

About CRA International, Trading Manager

Founded in 1965, CRA International is a leading global consulting firm that offers [business management, economic and financial expertise](#). Headquartered in Boston, CRA has offices throughout North America, Europe, the Middle East and Asia. Detailed information about CRA is available at <http://www.crai.com>.

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