



CRANBERRIES in the classroom



Ocean Spray, 86 Years of Growing Together

The 1930s: A Cooperative is Born

What is now Ocean Spray, Inc. sprouted its roots 86 years ago in the summer of 1930 when three cranberry growing operations realized they were stronger together. The trio banded to form a cooperative that would help to establish a stable year-round marketplace for their fruit through the establishment of new sales techniques and the creation of innovative products. Little did they know that decades later the Cooperative would be the world's leading producer of cranberry juices, juice drinks and dried cranberries as well as the leader in grapefruit juice here in North America.

Originally known as Cranberry Cannery, Inc., the Ocean Spray Cooperative was formed by the merger of three Northeastern cranberry operations: Ocean Spray Preserving Co. of South Hanson, MA, headed by Marcus L. Urann; the Makepeace Preserving Co. of Wareham, MA, headed by John C. Makepeace; and The Enoch F. Bills Co. of New Egypt, NJ, headed by Elizabeth F. Lee.



With few cooperatives in operation at the time, there was little pattern or precedent for the founders to follow and disagreements on unification arose. While the date on the Cooperative's Certificate of Incorporate reads June 21, 1930 it wasn't until August 14 of that year when fences were mended and the Cooperative was officially born.

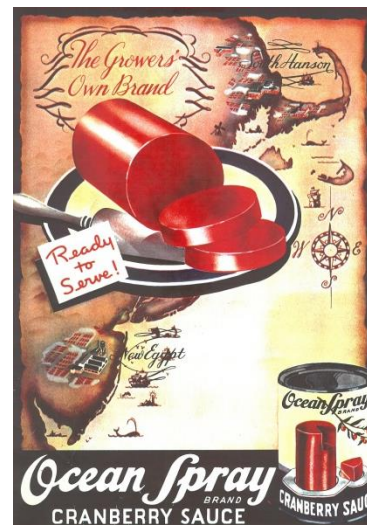


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Urann wasted little time recruiting growers to join the Cooperative. In a 1930 letter to Massachusetts cranberry farmers he wrote, “work as you must, worry as you will, kill bugs and flow for frost, still your profit depends on the supply and demand for cranberries...let us Cape Codders throw out our chest, take pride and every day boost and blow for Ocean Spray Brand Cranberry Sauce. Ten million people will visit Cape Code this year and they shall not pass without seeing, feeling, hearing and tasting cranberries.”

The Cooperative touted a simple product line in its early years focusing on whole and jellied cranberry sauces. As the business began to grow interest in expanding the line sprouted. Noting the popularity of orange juice at the time, a decision was made to enter the beverage market and in 1931 the Cooperative introduced Cranberry Juice Cocktail. The innovative product was marketed to consumers as, “a pleasant, smooth drink with delicious flavor and sure relief from faintness, exhaustion and thirst. A glass when retiring promotes sleep and a clean mouth in the morning – even to the smoker.” In 1939, the brand introduced Ocean Spray Cran, a concentrated cranberry juice that was sweeter and heavier than cocktail and intended for mixing with alcoholic beverages. To promote their entry into the beverage market, the Cooperative introduced advertising campaigns touting its new products. Ads appeared through traditional channels like radio and print as well as through promotional souvenir coin banks, recipe leaflets and gift packages.



The 1930s and forties brought about expansion on both the product and membership side. In 1940 several groups of growers from Wisconsin, Washington and Oregon were incorporated into the business finally stretching the Cooperative’s operation from coast-to-coast. Growers from these vastly different geographical areas were able to put their differences aside to collaborate and learn from each other, strengthening growing and harvesting practices benefiting the Cooperative as a whole.

Despite these advances, World War II heavily impacted the business. With shortages on sugar and tin, production of cranberry sauce for the civilian market was limited. The bulk of the berry crops were dehydrated and supplied to the Armed Services for soldiers abroad. In recognition of these contributions the Cooperative was bestowed the coveted Achievement “A” Award from the War Food Administration during the 1944 Annual Meeting. Even with these war time setbacks the Cooperative continued to grow and by October 1943 had a total of 15 facilities in five states. This expansion would continue booming well into the next decade.

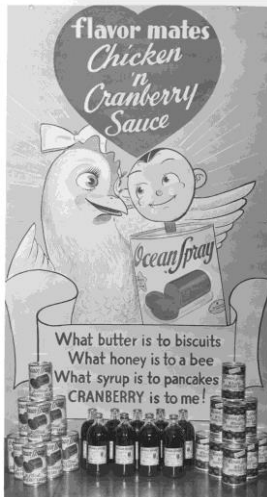


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1945-1960: A Post War Expansion

As the Cooperative's membership developed so did the cranberry market making Cranberry Canners Inc. national in every respect. A name change was needed to reflect this and in 1946 the Cooperative became the National Cranberry Association (NCA). In the fall of that year, the Cooperative entered the fresh fruit market giving its members a new avenue to sell their cranberries. Several weeks before Thanksgiving, consumers could purchase fresh 12 oz. bags of cellophane wrapped fresh berries.



The Cooperative saw extensive expansions during the post war years and to promote growth the organization began a revitalization of its publicity efforts. Trying to drive the idea that cranberries were a year-round product, the Cooperative performed a skit involving the marriage of cranberry sauce and the every-day chicken during the 1948 Massachusetts Cranberry Festival. One attendee described the event as, "a colorful ceremony that brought to a close the cranberry festival, the Little White Hen and the Little Red Cranberry became flavor-mates forever and vowed to always appear on the dinner tables of the nation. The wedding climaxed a year-long romance between chicken and cranberry sauce – a romance fostered by NCA in an effort to make chicken and cranberry sauce as inseparable as lamb and mint jelly, pork and applesauce."

The early fifties marked the beginning of the Cooperative's international journey with Ocean Spray Limited of Canada opening on December 14, 1950 and Canadian growers joining the Cooperative in 1958. This decade also offered the introduction of Ocean Spray Cape Cod Cranberry Sundae Topping as well as dietetic cranberry products. In 1952, the first Ocean Spray television commercial hit the market with a spot promoting year-round consumption of cranberry sauce, specifically with chicken. The commercial aimed for saturation and ran in eight cities, twice a week for 52 weeks a year.

The late 1950s brought about leadership changes in the Cooperative with the retirement of Marcus Urann as President and General Manager in 1955 and John Makepeace as Secretary-Treasurer in 1957.



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Their departures marked the first time since inception that the Cooperative would operate under new leadership and company-wide changes soon followed.

In 1959, the Cooperative made its final name change to date and officially became Ocean Spray Cranberries, Inc. to better align with the brand names used on product packaging from the beginning. Shortly before Thanksgiving that year the Cooperative was confronted by a serious issue, threatening the cranberry industry. The U.S. Department of Health, Education and Welfare announced that aminotriazole, a weed killer, had been found to cause cancer in laboratory animals and a national media frenzy ensued. Since a few cranberry growers had experimented with the chemical, the entire cranberry crop fell under suspicion. Food stores began removing products from shelves and restaurants refusing to serve anything made with the fruit. While Ocean Spray reacted quickly by banning the chemical's use and testing products to ensure safety, the damage had been done. The sales of all cranberry products nationwide plummeted, destroying holiday season sales and threatening the existence of the Cooperative. With this depressed market growers couldn't afford to do much more than essential work on their bogs abandoning plans for expansions or renovations. Still, despite these hardships the cranberry crop continued to increase and in 1960 the Cooperative received more than a million barrels of fruit from its members. While sales slowly began to rise after the cancer scare, the crops continued to outweigh demand and the Cooperative's leadership had a thirst for a remedy. Rejuvenating the image of the cranberry would ultimately be a complicated story – one that came into play in the 1960s.

1960-1980: Rebuilding Through Innovation

Rebounding from the chemical scare in the late 1950s proved to be difficult for Ocean Spray and a complex plan was put into place to reposition the cranberry. A combination of new products, improving existing products, an aggressive marketing program and an emphasis on quality control helped get Ocean Spray back onto the family table. The Cooperative's leadership realized that if business expansion was a goal, a more diverse, year-round product line was a necessity.

Until this point, the product line's main focus was sauces and fresh cranberries during the holiday season. Cranberry Juice Cocktail served only as a secondary item with limited distribution. When the Cooperative began looking for more stable sources of year-round income the obvious first step was to focus on its existing juice drinks, reformulating and re-launching an improved Cranberry Juice Cocktail. Following this, between 1963 and 1968, Ocean Spray made a full-scale entry into the consumer drinks market. They introduced the world's first juice blend with CRANAPPLE®, a cranberry-apple beverage, and soon followed with adding Cran-Grape®, a cranberry-grape blend, to the product line. During the



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expansion Ocean Spray also introduced a new logo – nearly identical to the blue and white curing wave that is used today.

In conjunction with the new product launches the Cooperative worked with growers to refine harvesting techniques during the sixties. The water-reeling technique began to overtake the mechanical dry method of harvesting that was popular in the fifties. The trend improved yields and produced better crops that helped sales break the \$100 million mark in 1974.

Continuing with the idea of expanding the brand the Cooperative developed an innovative marketing plan – promoting their juices in unexpected arenas. For the 1963 Cape Cod Day, hall of fame Red Sox players Carl Yastrzemski and Chuck Shilling were presented with a deed to a Cape Cod cranberry bog. As part of the promotion, Ocean Spray arranged for a cooler filled with Cranberry Juice Cocktail to be placed in the Red Sox locker room. This promotional expansion continued into the seventies with the introduction of the CRAN-Man – the mascot of Ocean Spray’s newest network television and print ads.



During the 1970s, crop yields continued to increase topping 100 barrels per acre for the first time. To keep up with rapid growth the Cooperative built and opened several new receiving and processing facilities. The Kenosha, WI plant opened in November of 1970 and shortly after starting up the lines it was processing nearly 40 percent of Ocean Spray’s total production. The Bordentown, NJ facility was completed in July of that same year, providing large storage facilities with its warehouse as well as more production lines for juice products. Northeastern production facilities consolidated and as a result the Middleboro, MA plant was expanded to accommodate the changes. The new processing plant was completed in January of 1976 and spanned an area longer than four football fields. In September of the following year Ocean Spray’s headquarters moved to a five-level building in Plymouth, MA with an adjacent visitor’s center museum, Cranberry World.

In 1976, Ocean Spray expanded its membership to include a local cooperative of citrus growers from the Indian River Region of Florida





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– an area known worldwide for its sweet and juicy fruit. Now, for the first time the Cooperative would be adding grapefruit to its product line with the introduction of Ocean Spray® Grapefruit Juice and Ocean Spray® Pink Grapefruit Juice Blend. The beverages received raved reviews and were a huge hit among consumers across American, European and Japanese markets. Along with the new citrus production, the Cooperative introduced its first tomato product with FIREHOUSE JUBILEE tomato cocktail in 1980 continuing to grow the business' financial base. To keep up with demand for these new products the Cooperative purchased a plant in Sulphur Springs, TX later that year adding to its existing facilities around the country.

New Ocean Spray promotions saturated the marketplace in the seventies. With the cranberry being one of only three fruits native to North America, it seemed only natural for the company to promote themselves as “the Ameri-Cranberry Company” during the 1976 Bicentennial. For the Fourth of July holiday that year, the Cooperative tapped into its high-volume mixer market by promoting a new drink called The Firecracker – combining Ocean Spray® Cranberry Juice Cocktail with Seagrams® whiskey. Ocean Spray rounded out the seventies honoring the birth of America in preparation for a big celebration of its own.

1980-Present Day: A New Era of Ocean Spray

The year 1980 marked Ocean Spray's 50th anniversary and with half a century of achievements behind it the company was positioned and ready for further growth and innovation. This year marked a milestone for the business - \$500 million in sales. Wanting to emphasize the Cooperative's high standards for performance and quality a marketing campaign was put in place. Print advertisements ran with the phrase: “In every industry there is a name for quality, Ocean Spray.”

With the intention of advancing its product line the Cooperative began branching out into new areas in the early eighties. The Ocean Spray Ingredient Technology Group (ITG) partnered with the makers of cereals and baking mixes, frozen food companies and bakery products providing fresh and dehydrated fruit for incorporation into their goods. The food service division also worked to expand product availability into restaurants, schools, vending machines, cafeterias, hospitals and convenience stores. In addition to these new areas of business, innovative juice blends were introduced to the line. Ocean Spray added Mauna La'I® Hawaiian in 1981. The guava tropical drink blend made from authentic Hawaiian fruit was the first of its kind to enter the market and quickly became a crowd pleaser. Cran-Raspberry® a raspberry cranberry juice drink, Cran-Blueberry® a blueberry cranberry juice drink, and



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Ocean Spray® pink grapefruit juice cocktail also joined the line rounding out the Cooperative's product offerings.

By this time in the eighties Ocean Spray's business was booming. The Cooperative led the beverage market in packing innovation during this time, applying new technology to introduce the first aseptic Paper Bottle™ in the U.S. The Paper Bottle™ juice boxes were marketed as the perfect single serve beverage for quick refreshment, just insert the straw. The new packaging touted convenience with the freshness and quality one would expect from Ocean Spray products. In 1981, the Cooperative expanded its packaging offerings again with the introduction of the first PET plastic bottle on the market.



Focusing on the health of its products Ocean Spray sought to extend its "good for you" message through its product labels, promotions and sponsorships. During the 1980s it joined forces with the Women's Sports Foundation to help promote healthy lifestyles among young women. Advertising efforts also expanded and in 1989 the Cooperative hired musician Bobby McFerrin to promote its juice drinks using the campaign slogan, "Ocean Spray is music to your mouth."

As the Cooperative continued to expand in revenue and staff, new headquarters were necessary. Ocean Spray made its final move to date when it relocated in 1989 to a new building in Lakeville-Middleboro, MA. These global offices now employ more than 500 people in Marketing, Sales, Finance, IT, Operations, Ingredient Technology, Supply Chain, Agricultural Supply, Research & Development, Human Resources, Legal and Communications.



The 1990s were exciting years for Ocean Spray with the business marking the new decade by passing the billion dollar sales mark and changing the dried fruit category forever by re-launching sweetened dried cranberries. First introduced by the ITG as a baking ingredient in the eighties, the Cooperative now marketed them as Craisins® Dried Cranberries. The snack item marked the first official consumer product of the brand's new foods initiative. Other new products joined the line during the decade including citrus Refreshers®. The juice drink's 48 ounce teardrop-shaped bottle and label were even honored with awards from various professional art and packaging



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magazines as well the prestigious “Award of Excellence” from the Design Council International. Ocean Spray® Ruby Red grapefruit juice also entered the market in the nineties and quickly became the Cooperative’s most successful product introduction in the company’s history to that point.

In 1994, cranberry health hit the news. A Harvard Medical research study was published in the *New England Journal of Medicine* substantiating the role cranberry juice plays in maintaining urinary tract health. Following the report media coverage on the findings was extensive. In response, the Cooperative launches its Cran-Health™ initiative promoting the health benefits of cranberries and its products. In conjunction with the program, Ocean Spray reformulated its low calorie juice drinks by adding sucralose, a non-nutritive sweetener. These products become an important feature of the line providing the health benefits of cranberries with less calories and sugar for consumers.

The new millennium brought about continued growth for the Cooperative through various means. In 2001, the first white cranberry harvest occurred in Lakeville, MA. Harvested just a few weeks earlier than red cranberries the white cranberry delivers a smoother, milder taste. Following the harvest Ocean Spray launched the first line of white cranberry juice drinks to the market, offering consumers another way to enjoy the health benefits of cranberry juice. The new white juice drink was less tart than its traditional red cranberry cousin and less likely to stain, offering a refreshing taste that the whole family could enjoy. With this product launch the Cooperative also introduced new rectangular bottles, making its juices easier to grip, pour and store in the refrigerator.

In 2004, the Cooperative introduced a new label to unify the look of its products on store shelves. The fresh design incorporated images of luscious fruit partnered with vibrant colors to help convey the essence, uniqueness and refreshment of Ocean Spray products. A lighthouse was also added to the label design as a reflection of the Cooperative’s name and New England heritage. That same year a long debate over the strategic direction of the Cooperative ended.



Grower-Owners voted to preserve their independence and work alongside management and potential partners to continue building the Ocean Spray business for the future. Following the move the Cooperative introduced its “tastes good, good for you” mantra to the French marketplace with beverages like Cranberry Classic, Cranberry & Mangue (mango) and Cranberry & Framboise (raspberry). Expansions were also made in the Cooperative’s low calorie product line. In 2006, Diet Ocean Spray® was introduced offering consumers a cranberry juice beverage with only five calories. Marketing to



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consumers looking for healthy alternatives to sugary energy drinks, Cran-Energy is added to the product line in 2008 featuring real fruit juices mixed with natural green tea.

The Cooperative introduced new advertising campaigns during this decade. Setting itself apart with the “Straight from the Bog” commercials featuring character growers Justin and Henry the campaign goes on to become one of the most successful in the history of the brand. In 2010, Ocean Spray moved to celebrate its heritage as a cooperative and steward of the land by featuring the stories of real Grower-Owners on its product labels.

As Craisin® popularity continued to grow production lines were added at the Middleboro facility in 2004 and Wisconsin Rapids facility in 2008 to help meet demands. Craisins® Blueberry Juice Infused Dried Cranberries were added to the roster in 2010 following Ocean Spray’s introduction of blueberry products to the line. Blueberry and Blueberry Pomegranate Juice Cocktail and Blueberry Sugar-Free Drink Mixes rounded out this extension of flavor options. That next year the Cooperative entered a partnership with Walt Disney World Parks and Resorts in a multi-year alliance to make Craisins® Dried Cranberries the official park snack.

Expanding its worldwide reach, Ocean Spray partnered with PepsiCo in 2012 forming an alliance to assist in distributing the Cooperative’s products both in the U.S and abroad. In 2013, the Cooperative made its first overseas facility expansion when it purchased a manufacturing facility in Lanco, Chile. The acquisition helped to grow Ocean Spray’s multinational footprint and establish a sizable Cooperative presence in an important cranberry growing region. The southern hemisphere location also offered a counter-seasonal supply of cranberries for the business. Expansion in the U.S. continued as well with the opening of the Lehigh Valley, PA facility in the spring of 2014.

With a desire to enter the bottled water market the Cooperative introduced PACT™ cranberry extract water in 2015. The revolutionary beverage allowed consumers the opportunity to enjoy cranberry’s health benefits in a new way. Containing PACs, or proanthocyanidins - powerful elements found deep inside cranberries – the beverage helped cleanse and purify one’s body better than water alone by allowing certain harmful bacteria to be flushed away naturally. The launch signifies the Cooperative’s continued interest in expanding its product line outside that traditional juice and sauce realms.





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The Cooperative's story began 85 years ago when Urann, Makepeace and Lee paved the way for growers to come together and collectively sell their products. While working to preserve the family farming way of life, Ocean Spray has become the world's leading producer of cranberry juices, juice drinks and dried cranberries as well as the leader of grapefruit juice in North America. With more than 700 Grower-Owners and 2,000 plus employees globally the agricultural cooperative that has become Ocean Spray continues to manage business in a way that respects the communities it operates in, the people it employs and the environment.

Ocean Spray embodies a true success story – showcasing that in growing together, we are stronger.