

PRESS RELEASE

Cherry Industry Administrative Board
P.O. Box 388
12800 Escanaba Drive, Suite A
DeWitt, MI 48820-0388

FOR MORE INFORMATION CONTACT:
Perry Hedin, Executive Director
Cherry Industry Administrative Board
517-669-1070 Fax: 517-669-1260

FOR IMMEDIATE RELEASE:

Cherry Industry Administrative Board Sets Preliminary Free and Restricted Percentages

Lansing, MI, June 19, 2009 - The Cherry Industry Administrative Board (CIAB), the national marketing order for red tart cherries, held its annual Marketing Policy meeting Thursday, June 18, 2009, in Grand Rapids, MI. At this meeting the Board determines the percentage of the crop that should be considered “free” and that which should be “restricted” under the terms of the marketing order. “Preliminary” percentages are determined at this time. “Final” percentages are calculated in September and then recommended to the Secretary of Agriculture.

The CIAB concluded that the preliminary “free” percentage be set at 51% and the preliminary “restricted” percentage be set at 49%. These percentages are calculated using the USDA’s estimate of harvest as required by the Optimum Supply Formula (OSF) contained in the marketing order. On Thursday, June 18, 2009, the USDA released its official tart cherry crop estimate. It projected a national crop of 284 million pounds of red tart cherries. Of this total, the USDA estimated that 220 million pounds of cherries will be produced in Michigan while the balance will be produced in the other states subject to the marketing order.

The tart cherry industry adjusts the “restricted” percentage by the volume of cherries that must be released back to handlers to satisfy a provision of the order known as the “Market Growth Factor”. This provision requires that ten percent (10%) of the average demand be released to handlers to help build market opportunities for tart cherries. After adjusting the restricted percent for the market growth factor release, it is projected that there will be an “effective” restriction on tart cherries of 42%.

The Board considered numerous factors concerning the supply of and demand for red tart cherry products for the upcoming season. The CIAB also considered such factors as the average annual volume of sales of tart cherry products, the carry-in of product into the current year and the desirable carry-out of product for the following season.

The Board, using the Optimum Supply Formula (OSF) as set forth in the order, calculated the percent of the current year’s production that is “free” tonnage and that which is “restricted”. “Free” tonnage is production of the current year which can be marketed (by handlers of tart cherries) without any limitations. “Restricted” tonnage is that which must either be retained by handlers in inventory or diverted by handlers into other market opportunities.

“Final” percentages will be recommended to Mr. Tom Vilsack, Secretary, USDA, in September 2009. Upon the conclusion of the harvest of red tart cherries, the CIAB will reconvene to recommend the final “free” and “restricted” percentages. These will be calculated using the actual harvest of red tart cherries rather than the estimate of the cherry harvest.

The CIAB meeting to determine the final percentages will be held September 10, 2009 in Washington, D.C.

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