

PRESS RELEASE

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FOR IMMEDIATE RELEASE:

Cherry Industry Administrative Board Sets Final Free and Restricted Percentages

Lansing, MI, September 16, 2011 - The Cherry Industry Administrative Board (CIAB), the national marketing order for red tart cherries, convened in Grand Rapids, MI September 15, 2011 to calculate and then recommend the final “free” and “restricted” percentages for the current crop year, 2011/12. The final percentages are determined at this Fall meeting whereas preliminary percentages were set in June 2011.

Each year at its September meeting the Board is charged with recommending to the Secretary of Agriculture, United States Department of Agriculture, the final percentage of the crop that should be considered “free” and that which should be “restricted” under the Optimum Supply Formula (OSF) of the marketing order. These percentages are calculated using the industry’s actual production for the year rather than the estimate of production as is used in determining the preliminary percentages.

The restriction calculated under the Optimum Supply Formula (OSF) is a function of crop size and other factors. When the harvest of cherries picks shorter than was estimated, the recommended restriction percentage is, by definition, reduced.

The cherry crop in 2011/12 was smaller than had originally been estimated by the United States Department of Agriculture (USDA) in June. The total national production of 231 million pounds of cherries. This volume of production is 36 million pounds less than had been estimated for the country. The smaller crop, together with other adjustments made to adequately supply market demand, lead the CIAB to reduce the recommended restriction percentage from what had been set in June 2011.

“Free” tonnage is that portion of the crop that can be marketed without reservation. Pursuant to the OSF, the CIAB recommended to the Secretary of Agriculture that the final “free” percentage be set at 88%.

“Restricted” production is that portion of the crop that must be either retained in inventory or marketed only in designated markets. The restricted production was 27 million pounds. Pursuant to the OSF, the CIAB recommended to the Secretary that the final “restricted” percentage be set at 12%. Handlers will have many and varied options in dealing with this relatively small restriction factor.

Notwithstanding the smaller crop in 2011, there will be adequate cherries to supply the marketplace. The combination of this year’s production and last season’s inventories will be able to supply handlers’ marketing needs for the upcoming year.

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