



CHERRY INDUSTRY ADMINISTRATIVE BOARD

PRESS RELEASE

Cherry Industry Administrative Board
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FOR IMMEDIATE RELEASE:

Cherry Industry Administrative Board Sets Final Free and Restricted Percentages

Lansing, MI, September 14, 2009 - The Cherry Industry Administrative Board (CIAB), the national marketing order for red tart cherries, convened in Washington, D.C. September 10, 2009 to calculate and then recommend the final "free" and "restricted" percentages for the current crop year, 2009 -10. The final percentages are determined at this Fall meeting whereas preliminary percentages were set in June 2009.

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. "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 32%. "Restricted" production is that portion of the crop that must be either retained in inventory or marketed only in designated markets. Also in accordance with the OSF, the CIAB recommended to the Secretary that the final "restricted" percentage be set at 68%.

Although the OSF establishes the gross percentages, the industry also looks to the effective percentages. Processors receive a portion of the harvest that would otherwise be considered "restricted" to be used to expand market opportunities for the industry. This is known as the Market Growth Factor (MGF). These cherries may be marketed without reservation in the same manner as the "free" tonnage. For the current year the Market Growth Factor is 18 million pounds of tart cherry products. Thus, net of the MGF, the effective "free" percentage is 37% and the effective "restricted" percentage is 63%.

The large restriction is due primarily to Mother Nature's excessive bounty. The cherry crop was very large, and it ended up much larger than estimated. The June crop estimate was for a crop of 284 million pounds of cherries. The harvest was 355 million pounds. Actual cherry production was: 25.2% greater than the estimate, 70% percent greater than last season's harvest, 47.6% greater than the 3 year average harvest of cherries and 48.2% greater than the 5 year estimate.

In response to the very large crop and as allowed under the marketing order, growers helped deal with Mother Nature's bounty by diverting 10.5% of the cherries in the orchard.

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