

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 16, 2008 - The Cherry Industry Administrative Board (CIAB), the national marketing order for red tart cherries, convened in Lehi, Utah on September 12, 2008 to calculate and then recommend the final “free” and “restricted” percentages for the current crop year, 2008 - 09. The final percentages are determined at this Fall meeting whereas preliminary percentages were set in June 2008.

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 terms 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. The CIAB recommended to the Secretary of Agriculture that the final “free” percentage be set at 73%. “Restricted” production is that portion of the crop that must be either retained in inventory or marketed only in designated markets. The CIAB recommended to the Secretary that the final “restricted” percentage be set at 27%.

Although the OSF establishes the gross percentages, the industry also looks to the effective percentages. Processors will receive back 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. These cherries may be marketed without reservation just like the “free” tonnage. For the current year the Market Growth Factor is 18 million pounds of tart cherry products. Thus, net of the Market Growth Factor, the effective “free” percentage is 82% and the effective “restricted” percentage is 18%.

The Board considered numerous factors concerning the supply of and demand for red tart cherry products. The industry produced 210 million pounds of cherries during this crop year. Of this total, 203 million pounds were from restricted producing areas and 7 million pounds was from unrestricted producing areas. 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. After considering all of these factors, the CIAB recommended the percentages set forth above.

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