

PRESS RELEASE

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FOR IMMEDIATE RELEASE:

Cherry Industry Administrative Board Sets Final Free and Restricted Percentages

Lansing, MI, September 16, 2010 - The Cherry Industry Administrative Board (CIAB), the national marketing order for red tart cherries, convened in Benton Harbor, MI September 10, 2010 to calculate and then recommend the final “free” and “restricted” percentages for the current crop year, 2010/11. The final percentages are determined at this Fall meeting whereas preliminary percentages were set in June 2010.

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 58%. “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 42%.

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 17 million pounds of tart cherry products. Thus, net of the MGF, the effective “free” percentage is 73% and the effective “restricted” percentage is 27%.

The cherry crop in 2010/11 was rather small with total national production of 189 million pounds of cherries. In fact, this was the fourth smallest crop since 1970. Of particular note was the fact that Northern MI, the largest producing district in the United States, produced only 65.3 million pounds which is less than one-half of an average crop for the area. This was a surprising outcome for the area since it generally produces one-half (½) of the nation’s crop.

Notwithstanding the smaller crop in 2010, 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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