

CIAB SUMMER/FALL

CALENDAR:

July

July 3, 10, 17, 24, 31 - Weekly raw product reports due

July 10- Form 3 due for period ended June 30

August

August 7,14,21,28- Weekly raw product reports due

September

September 1- Cherries acquired from producers due (Form 2)

September 14- CIAB meeting, Doubletree by Hilton, Grand Rapids, MI

October

October 3- Handler Reserve Plan & Final Pack Report due (Form 4). Inventory Reserve Summary due (Form 5A) and Inventory Location Report due (Form 5B)

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Crop Estimates

At the June 22, 2023, Cherry Industry Administrative Board meeting, members met to discuss crop size and market conditions for the upcoming year. The CIAB voted unanimously to use the crop estimates supplied by its' members instead of the USDA estimate.

Crop Estimates (in million lbs):

District	USDA	CIAB
NW Michigan		55
WC Michigan		30
SW Michigan		23
SUBTOTAL MI	120.5	108
New York	8.4	5
Pennsylvania		1.4
Oregon		0.3
Utah	40.3	30
Washington	26	23
Wisconsin	7.8	7.5
TOTAL	203.0	175.2

Tart Cherry Inventories

Free and restricted inventories are used, along with crop estimate and average sales, in the calculation of the OSF. The ending inventory numbers are presented below in millions of pounds RPE. Due to no restriction in CY 2022, there were no compliance activities, such as at-plant diversions, in-orchard diversions, exports, market expansion, and destruction/charitable, reported to the CIAB.

Table 1. Beginning and Ending Inventories of Tart Cherries

(MM LBS RPE)	ALL	FREE	RESTRICTED
Beginning year inventory (May 31, 2022)	75.0	0.0	0.0
+ Pack (Crop Year 2022/23)	243.2	0.0	0.0
TOTAL INVENTORY	318.2	0.0	0.0
Total of compliance activities			0.0
ENDING INVENTORY (MAY 31, 2023)	137.2	0.0	0.0

Average Sales

To calculate industry sales, exports and sales to USDA for section 32 purchases are subtracted from gross sales. The following table includes gross and net industry sales of tart cherries and is used to calculate demand in the OSF formula. The three year average are 202.3 mm lbs RPE (gross) and 194.2 mm lbs RPE (net).

Table 2. Gross and Net Sales of Tart Cherries

Year	Gross Sales	Exports	USDA	Net Sales
2020	235.3	0	24.2	211.1
2021	190.6	0	0	190.6
2022	181.0	0	0	181.0
3 Yr Avg	202.3			194.2

OSF (Optimum Supply Formula) Calculation – Preliminary Restriction Set

The following table lays out the preliminary OSF calculation as approved by CIAB on June 22, 2023. The Board voted for the Target Carry-Out at 85 million pounds. There was no consensus on an Economic Adjustment, therefore there was no

economic adjustment made. The preliminary restriction for this year is 8%. The adjusted surplus amount is divided by the amount of regulated tonnage available to calculate the preliminary restricted percentage amount.

Table 3. Preliminary OSF Calculation

U.S. Crop	175.2
+ Carry-In at 6/1	137.2
+TOTAL SUPPLY	312.4
3-year sales average	194.2
+Target Carry-Out	85
+OPTIMUM SUPPLY	279.2
SURPLUS (Total – Optimum)	33.2
-Market Growth Factor	-19.4
-Economic Adjustment	0
=Adjusted Surplus	13.79 million
Adjusted Surplus (13.79 m) /Regulated Tonnage (173.5 m)	
=Regulation	8%

--Growers, please note. You should contact your processor directly about their diversion plan.

Final Restriction to be set in September

At the September 2023 meeting, the final restriction will be set. The board will review the actual crop size, actual in-orchard diversion, and any other factors relevant to the OSF discussion. The meeting will be in-person/Zoom on Thursday, September 14, 2023, at the DoubleTree by Hilton Hotel Grand Rapids, MI. If you will be attending the Board, please send an email to info@cherryboard.org and indicate if you will be attending in-person or via Zoom.

Assessment Rate for 2023/24

On June 15, 2023, the final rule was published for the assessment rate increase for crop year 2022/23. The assessment rate for 2023/24 will remain the same as last year at .0075. The assessment rate allocation between operations and promotion and the budget for crop year 2023/24 will be discussed and approved by the board at the September board meeting.

2023
CIAB – GROWER DIVERSIONS
REFERENCE CHART
OPTIONS and REQUIREMENTS

1. BLOCK (Whole)

- a. **TYPE** – diversion of an **entire** block of cherries.
 - b. **FREQUENCY OF USE** – can be used for any number of blocks in a farming operation.
 - c. **MAPPING** – CIAB map required, must be received by the CIAB by April 17, 2023.
 - d. **PROCEDURE** – the grower must request this type of diversion.
 - i. Call the CIAB office to request sampling information. The sampling information will be emailed to you and the local CIAB representative. Call the local CIAB representative to schedule the diversion.
 - ii. CIAB representative (1) will come to the farm, (2) will flag the orchard per the sampling information received from the CIAB office, (3) will observe and measure the shaking of the trees, (4) will probe the tanks, and (5) will observe the emptying of the tanks in the orchard.
 - e. **HARVEST** – **DO NOT HARVEST** the block after it has been sampled and probed. Leave the fruit on the trees.
 - f. **CONFIRMATION** – Follow up visit –
 1. CIAB representative will visit blocks later in the season, but prior to Sept. 1, to confirm compliance with the block diversion requirements.
 2. If, for cultural practices, you wish to shake the remaining fruit from the trees earlier than Sept. 1, call the CIAB representative prior to shaking the fruit to the ground.
 - g. **VALUE OF DIVERSION** – amount of diversion will be calculated from CIAB measurements using a “per tree site” average.
 - h. **GROWER DIVERSION CERTIFICATE (GDC)** – calculated from samples taken, valid until July 1, 2024.
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2. BLOCK (Partial)

- a. **TYPE** – diversion of **adjoining, full rows** within a single block of cherries.
 - i. Choice – the **grower** chooses the portion of the block to divert.
 - ii. This option may be selected any time during harvest.
- b. **FREQUENCY OF USE** – can be used for the greater of 5 block or ½ of the number of blocks of cherries for each farming operation, (e.g., a grower with up to 5 blocks can do 5 partial blocks, a grower with 12 blocks can do 6 partial blocks.) More than one partial block may be used on any block, but the total of all partial block diversions cannot exceed the total allowed.
- c. **MAPPING** – CIAB map required; must be received by the CIAB by April 17, 2023.
 - i. The chosen portion of the block to be diverted must be part of a mapped orchard block.
- d. **PROCEDURE** – the grower must request a partial block.
 - i. Call the CIAB office to request sampling information. The sampling information will be emailed to you and the CIAB representative in your district. Call the local CIAB representative to schedule the diversion.
 - ii. CIAB representative (1) will come to the farm, (2) will flag the orchard per the sampling information received from the CIAB office, (3) will observe and measure the shaking of the trees, (4) will probe the tanks, and (5) will observe the emptying of the tanks in the orchard.
- e. **HARVEST** – **DO NOT HARVEST** the rows after they are sampled and probed. Leave the fruit on the trees.
- f. **CONFIRMATION** –

- i. Follow up visit –
 - 1. CIAB representative will visit blocks later in the season, but prior to Sept. 1, to confirm compliance with the diversion requirements.
 - 2. If, for cultural practices, you wish to shake the remaining fruit from the trees earlier than Sept. 1, call the CIAB representative prior to shaking the fruit to the ground.
- g. **VALUE OF DIVERSION** – amount of diversion will be calculated from CIAB measurements.
 - i. CIAB will calculate the tonnage for the block using a “per tree site” average for the portion diverted.
- h. **GROWER DIVERSION CERTIFICATE (GDC)** – based upon the calculated amount, valid until July 1, 2024.

3. ON-SITE TANK DIVERSION

- a. **TYPE** – diversion of harvested cherries in tanks, but done on the farm.
 - i. Choice – grower selects this option, if desired, at any time during harvest.
- b. **FREQUENCY OF USE** – can be used whenever a grower or a group of growers has **at least ten (10) tanks** to measure and divert. ONE TIME and ONE TIME ONLY, the grower may choose to divert less than ten (10) tanks, To take advantage of this one-time provision. If the Grower uses a second diversion involving less than ten (10) tanks, the Grower will lose the pounds of diversion recorded form the second In-orchard Tank Diversion. (Passed by CIAB action October 12, 2001).
- c. **MAPPING** – Not required.
- d. **PROCEDURE** – the grower must request a tank diversion.
 - i. Harvest fruit into tanks (a minimum 10) and place them at a convenient location on the farm.
 - ii. Call the local CIAB representative and schedule probing and measurement.
 - iii. CIAB representative has up to five (5) days to probe and measure the tanks. (They will get there as fast as they can.) The CIAB representative will schedule a convenient time to conduct the measurement. The grower must be present and be prepared to empty the tanks on the farm after measurement. The CIAB representative will observe the emptying of the tanks in the orchard.
- e. **VALUE OF DIVERSION** – amount of diversion will be calculated from CIAB probing and measurements.
- f. **GROWER DIVERSION CERTIFICATE (GDC)** – based on calculated amount, valid until July 1, 2024.

CIAB TELEPHONE NUMBERS

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