

# From the Orchard

News from the Oregon Sweet Cherry Commission

Fall/Winter 2013

## 2013 Fresh Market Promotion Highlights

**Dana Branson**  
OSCC Administrator

B.J. Thurlby, President Northwest Cherries, attended the October OSCC meeting to give an overview on the 2013 cherry promotion program. James Michael, Promotion Director, and Keith Hu, International Marketing Director, came with him to present the details of their work.

B.J. Thurlby, President Northwest Cherry Growers, started the review by saying that at the beginning of the season it looked like it was going to be a repeat of 2007 – degree days, weather conditions, etc. But cooler temperatures and rain at the end of May and early June changed all of that. It looked like there would be a lot of cherries in the market well ahead of July 4<sup>th</sup>, a traditional high point for cherry purchases and promotions programs for both the domestic and foreign market

Continued on Page 2

## 2014 Northwest Cherry Research Review

**Dana Branson**  
OSCC Administrator

The 2014 Northwest Cherry Research Review was held at the Confluence Technology Center in Wenatchee, WA on November 12 and 13, 2013.

Researchers gave short presentations regarding the findings for each project funded in 2013 on the final and continuing projects. Copies of the more in depth reports are available online if you're interested by going to [www.treefruitresearch.com/research-reviews/nw-cherry-review.html](http://www.treefruitresearch.com/research-reviews/nw-cherry-review.html). On the right – hand side of the screen click on Searchable Database. On the next screen there's an area that says click here to start your search. The next screen lists the fruits to search by on the

Continued on Page 4

## INSIDE THIS ISSUE

- |          |                                 |            |
|----------|---------------------------------|------------|
| <b>1</b> | 2013 Fresh Promotion Highlights | Page 1     |
| <b>2</b> | 2014 Cherry Research Review     | Page 1     |
| <b>3</b> | Cherry Crop History & Estimate  | Page 1     |
| <b>4</b> | 12 Row Cherry Discussion        | Page 3     |
| <b>5</b> | Administrator Info              | Page 3     |
| <b>6</b> | Meeting Calendar                | Page 4 & 5 |
| <b>7</b> | Commissioner Info               | Page 5     |

## Oregon Crop History

	Estimate	Actual	Actual
Type	2013	2012 *	2011
Fresh	28,976	38,114	28,917
Brine	10,000	10,942	10,458
Canned	550	2,488	1,452
Frozen	<u>2,600</u>	<u>5,121</u>	<u>2,248</u>
<b>TOTAL</b>	<b>42,126</b>	<b>56,665</b>	<b>43,075</b>

Quantities in tons. \*Revised from previous list.

were primed for the early start. Plans were changed with the rain and for the first time more cherries were sold on the back end of July 4<sup>th</sup> than the front with the highest amount of daily shipments hitting on July 24<sup>th</sup>.

Some key statistics from the season are:

**The shipped crop was 14.25 million 20 lb. equivalent boxes.**

**The Northwest shipped for 81 days in 2013. The season ran 89 days in 2012, compared to 94 days in 2011 and 83 days in 2010.**

**First shipment was on June 2, 2013 as compared to June 7, 2012. (June 13<sup>th</sup> in 2011).**

**California packed just over 7.8 million 18 lb. equivalent boxes this year, down from 8.5 million in 2012.**

**The Rainier Cherry pack was 1.65 million boxes (15 lb.) in 2013 accounting for 9.5% of the shipped crop. That is down from 2.3 million boxes in 2012 when it was 7% of the shipped crop.**

**Export totals for the year are at 4.2 million boxes or 29.5% of the crop. This is down significantly from 8 million boxes, partly because of the large crop last year and the timing of the bulk of the crop this year.**

**The industry averaged 281,572 boxes per day in July 2013 vs. 429,127 per day in July 2012.**

**The industry had 26 days of 400,000 plus box shipments in 2012, compared to only 3 days in 2013.**

Overall the market stayed strong with demand exceeding supply most of the season even considering weather damage and uneven supplies.

**Keith Hu**, Director of International Operations Northwest Cherries, gave a presentation on the export program and results. There was slow movement in the first half season just like here at home. Keith compared 2013 sales by country to 2010 sales because the total amount of the crop to be sold was most similar. As a result sales in China, Korea and Malaysia were up, Canadian sales stayed about the same at 35-37% of all exports and Japan, Taiwan and European sales lower than 2010.

Some highlights of the year:

**Korea** was a bright spot this year for demand and sales of premium cherries. Retailers pushed cherries with large displays and eight weeks of retail/in-store promotions. There has been rapid expansion of NW Cherry awareness outside of the greater Seoul area. A PR event was held on July 2 and billboard semi-trucks were sent into downtown Seoul and Pusan for an estimated exposure of 4 million people. Export sales increased from 8.1% of the total in 2012 to 11.7% in 2013.

**Australia** is a premium market with aggressive promotions adopted by both major retailers although Rainiers were disappointing this year due to poor supply. In addition, the on ground Australian pre-clearance inspectors made shipping to Australia a challenge as they were finding powdery mildew on almost all of the cherries that were fumigated for Australia...thus resulting in non-shipments.

**Japan** shipments percentage increased slightly with the "Systems Approach", but momentum never really got going as a result of June weather disruptions. Post July promotions were reduced or cancelled and there was a lack of Rainiers to meet demand. Efforts were made to reach out to new retailers north of Tokyo. Japan as a market has decreased in the last several years for NW Cherry growers due to their economic troubles and the timing of the NW crop as compared to California.

**Taiwan** had the lowest sales volume in 10

years, but **Mainland China** helped make up for some of the loss. Keith was able to connect with Gary Locke to do two promotions – one with Sam’s Club/Wal-Mart China and another one with TMall.com – sort of an equivalent with Amazon.com in the U.S. Both were very successful campaigns.

Sales in the **UK** were dismal because of short U.S. supply and competition from cherries grown in their own region. European growers are investing for the future with orchard covers, especially in rain prone areas.

**James Michael**, Promotion Director Northwest Cherries, went through the program for promotions in the U.S. and Canada. 2013 was anticipated to be a tough year because of the payroll tax increase, rising gas costs and possibly reduced shelf space, but cherry lovers don’t let price stop them. Circular ads were lower than 2012, but that’s to be expected because the crop was smaller. In June when it looked like the crop would be larger the earlier circular ads were above the 2012 level, but as the season progressed and finished early July ads were down and August ads went way down.

The average retail price stayed up close to \$3.00 lb. although loss leader prices on cherries could be found at various times and retailers. Opportunities for local and national press coverage along with recipe ideas and demos were used to get the word out that cherries were in season and in the store. A health study approved by the USDA outlining the health benefits of cherries was released in time for use in the summer campaigns and announced with a Times Square billboard, an article in The Produce News and picked up by bloggers.

NW Cherries was able to connect with Weber Grills and OXO (cherry pitters) in a Pinterest campaign resulting in several cherry recipe ideas. Social media and phone apps are creating new ways to reach consumers and track their buying habits, which creates new ways to attract sales with online promotions, coupons and recipes.

## **12 Row Cherries-Prices & Returns**

The Washington Cherry Marketing Committee met in early December and one item on their agenda was a presentation from Desmond O’Rourke. He was asked to provide an assessment of the influence of 12-row cherries on the prices and returns for all red sweet cherries in the Northwest. The committee discussed the pros and cons and most feel the market ends up in the same place with or without 12 row. Those against eliminating 12 row (the majority) think the market will determine if the industry should pack 12 row or not – and that in the early season the NW has no way to control what California does so the point is moot. The members in favor of eliminating 12 row feel that it’s time to raise the bar on quality and they point to a stronger market and better quality that resulted when the industry eliminated both 12 and 11½ row on Rainiers as evidence.

Over the past seven years 12 row has made up about 2% of the total crop. The Washington Cherry Marketing Committee is set up to facilitate these kinds of discussions and it provides a venue to continue the debate on this and other quality issues critical to future success.

### **OSCC Administrators**

Dana Branson  
LeRoy Nickerson  
Tel: 541-386-5761  
Fax: 541-386-3191

**2667 Reed Rd.**  
Hood River, OR. 97031

**Email:** [osweetcherry@gmail.com](mailto:osweetcherry@gmail.com)

If you know of anyone who wants to receive this newsletter, meeting notices or ODA Administrative Rules, or if you have an address change please contact us at the one of the addresses above. This publication will be made available in alternate formats upon request. This newsletter and previous issues are available on the OSCC website.

[www.osweetcherry.org](http://www.osweetcherry.org)

left-hand side of the screen. When you click on Cherry a drop down menu to select Horticulture, Entomology or Pathology appears. When you make that choice another drop down menu appears with a further categorization of topics. When you click on your choice the reports pertaining to that topic are shown in a list and you can bring up the report you want to read.

Copies of continuing reports and the currently proposed new projects are available electronically from the OSCC office.

There were 26 pre-proposals submitted for consideration in September. The Oregon and Washington Research committees prioritized that list to 11 new proposals that were given a more thorough hearing at the Research Review in addition to the renewal of consulting services of Fred Bliss and Amy Iezzoni on the Cherry Improvement Project. The new proposals included two regarding postharvest quality, one on the pre-commercialization of cherry rootstocks; one was for the support of database resources for the breeding program; two involved genomics and DNA in cherry breeding; two addressed SWD control; one proposed studying the effect of near-harvest irrigation on fruit quality; one was to study little cherry disease and finally one was a baseline study to collect data on the effect of cherries on gut bacteria in rodents.

Lots of discussion was generated from this collection of proposed research. Washington is experiencing an alarming amount of little cherry virus. Oregon growers have not reported it much, but they have had experience with it in the past. SWD is a concern for both states – it's been difficult for the industry to settle on the "best" trap and lure. Some in both states are concerned about "mission creep" in the cherry-breeding program. It seems there is never a shortage of problems and interesting new technologies to pursue.

The total amount of funding requested for both new and continuing projects adds up to \$832,572. The OSCC meets December 12 (details below) to consider which projects they will fund and Washington is scheduled to meet December 18. California might contribute some to the funding as well.

### **MEETING CALENDAR**

**REGULAR DECEMBER SWEET  
CHERRY COMMISSION MEETING  
THURSDAY, DECEMBER 12, 2013  
2<sup>ND</sup> FLOOR CLASSROOM  
FOOD INNOVATION CENTER  
1207 NW NAITO PKWY  
PORTLAND, OR  
10:00 A.M.**

**THE MEETING LOCATION IS  
ACCESSIBLE TO PERSONS WITH  
DISABILITIES. IF YOU NEED  
SPECIAL ACCOMMODATIONS  
PLEASE CONTACT THE OSCC  
OFFICE AT LEAST 48 HOURS  
BEFORE THE MEETING.**

-----  
**REGULAR FEBRUARY SWEET  
CHERRY COMMISSION MEETING  
IN JANUARY THIS YEAR  
WEDNESDAY, JANUARY 22, 2014  
2<sup>ND</sup> FLOOR CLASSROOM  
FOOD INNOVATION CENTER  
1207 NW NAITO PKWY  
PORTLAND, OR  
10:00 A.M.**

**THE MEETING LOCATION IS  
ACCESSIBLE TO PERSONS WITH  
DISABILITIES. IF YOU NEED  
SPECIAL ACCOMMODATIONS  
PLEASE CONTACT THE OSCC  
OFFICE AT LEAST 48 HOURS  
BEFORE THE MEETING.**

## Commissioners

**Megan Thompson, Chairwoman**  
Producer, The Dalles, OR  
541-288-6753, [mthompson@orcherry.com](mailto:mthompson@orcherry.com)

**Dan Crouse, Vice-Chairman**  
Producer, The Dalles, OR  
541-920-7208, [jdcrouse@gorge.net](mailto:jdcrouse@gorge.net)

**Mike Halliday, Secretary/Treasurer**  
Producer, Parkdale, OR  
541-387-5629, [frgrower@aol.com](mailto:frgrower@aol.com)

Tim Ramsey  
Handler, Oregon Cherry Growers, Salem, OR  
503-364-8421, [tramsey@orcherry.com](mailto:tramsey@orcherry.com)

Andrea Galloway  
Producer, Cove, OR  
541-568-4541, [yabal8881@gmail.com](mailto:yabal8881@gmail.com)

Tom Brateng  
Producer – Dallas, OR  
503-949-6588, [thomasreine@gmail.com](mailto:thomasreine@gmail.com)

Steve Sandau  
Producer – Salem, OR  
503-363-2137, [sandau@wildblue.net](mailto:sandau@wildblue.net)

Jim Markman  
Public Member, The Dalles, OR  
541-298-3400, [jim.markman@farm-credit.com](mailto:jim.markman@farm-credit.com)

Les Stephens  
Producer, Dayton, OR  
503-860-1334, [shad-o-hill@comcast.net](mailto:shad-o-hill@comcast.net)

Jeff Heater  
Fresh Handler, Underwood Fruit,  
Mid-Columbia area  
541-308-6175, [jheater@uwfruit.com](mailto:jheater@uwfruit.com)

Steve Agidius  
Producer, The Dalles, OR  
541-806-3921, [steveagidius@yahoo.com](mailto:steveagidius@yahoo.com)

Stacey Cooper  
Producer, The Dalles, OR  
541-288-6773, [coopercherryorchards@gmail.com](mailto:coopercherryorchards@gmail.com)

## MEETING CALENDAR

(CONTINUED)

NORTHWEST CHERRY INSTITUTE  
FRIDAY, JANUARY 10, 2014  
YAKIMA CONVENTION CENTER  
10 NORTH 8<sup>TH</sup> STREET  
YAKIMA, WA

PRE-REGISTRATION REQUIRED BY  
MONDAY, DECEMBER 30, 2013  
\$30 MEETING & LUNCH  
FOR MORE INFO CALL KATHY  
(509) 853-3504 OR  
EMAIL: [CHERRYINSTITUTE@  
WASTATEFRUIT.COM](mailto:CHERRYINSTITUTE@WASTATEFRUIT.COM)

-----  
OSU EXTENSION  
WINTER CHERRY MEETING  
&  
MCAREC RESEARCH REVIEW  
SCHEDULED FOR  
THURSDAY, FEBRUARY 6, 2014  
THE DISCOVERY CENTER  
THE DALLES, OR  
8:00 A.M.  
LUNCH SPONSORED BY WILSON  
ORCHARD & VINEYARD SUPPLY  
AGENDA BEING DEVELOPED

-----  
A SYMPOSIUM ON LABOR  
SPONSORED BY COLUMBIA GORGE  
FRUIT GROWERS  
PROPOSED DATE  
LATE JANUARY 2014  
TOPICS PLANNED  
INFO ON EMPLOYEE ID, H2A AND  
HOPEFULLY A LABOR CONTRACTOR  
FOR DETAILS CONTACT JEAN  
EMAIL: [CGFC@HREC.NE.T](mailto:CGFC@HREC.NE.T)  
PHONE: 541-387-4769

Oregon Sweet Cherry Commission  
2667 Reed Road  
Hood River, OR 97031  
CHANGE SERVICE REQUESTED

PRST STD  
U.S. POSTAGE  
THE DALLES, OR  
97058  
PERMIT NO. 12