

From the Orchard

News from the Oregon Sweet Cherry Commission

Spring 2015

2015 Cherry Season

Dana Branson w/ contributions
OSCC Administrator

The 5-State Cherry Meeting was held in Richland, WA on Wednesday, May 20, 2015. The crop estimate for the Northwest has been increased by 5% from the day of the meeting to 205,744 tons. To state it another way it's 20.6 million 20 lb. equivalent boxes. That would be a decrease of 11% from last year's crop of 23.3 million boxes.

The season got going early with most areas 7-10 days ahead of "normal" timing. With the warm winter the growing degree days increased on average by 12 days in 2015. The first cherries in the early districts in Washington were picked May 23 and in Oregon May 28. It's estimated that over half of the total Northwest crop will be shipped prior to July this season. That hasn't happened since 2005.

Continued on pages 2 & 3.

Fruit Stand and Direct Sales of Sweet Cherries

Dana Branson
OSCC Administrator

There has been increasing interest in "buying local", getting to know your farmer and more attention to where and how food is grown. Because of this there's been an increase in the number of farmer's market outlets and direct sales of sweet cherries. This is a wonderful trend for producers and consumers alike. It has, however, made the OSCC aware of the need to do some education to producers of sweet cherries in Oregon. The legal language regarding taxes and assessments can be difficult to understand, so I'll paraphrase. (The Oregon Revised Statute (ORS) on assessments is 576.325; for reporting assessments see ORS 576.335-576.351.

Continued on Page 4

INSIDE THIS ISSUE

| | | |
|----------|---------------------------------|--------|
| 1 | 2015 Cherry Season | Page 1 |
| 2 | Fruit Stand & Direct Sales | Page 1 |
| 3 | Cherry Crop History | Page 1 |
| 4 | Meeting Calendar & General Info | Page 5 |
| 5 | Commissioner Info | Page 6 |
| 6 | Approved 2015-2016 Budget | Page 7 |

Oregon Crop History

| | Actual | Actual | Actual |
|--------------|---------------|---------------|---------------|
| <u>Type</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Fresh | 40,276 | 28,900 | 38,114 |
| Brine | 10,871 | 9,589 | 10,942 |
| Canned | 1,404 | 608 | 2,488 |
| Frozen | <u>4,297</u> | <u>2,099</u> | <u>5,121</u> |
| TOTAL | 56,848 | 41,196 | 56,665 |

This reflects the number of tons reported & assessments were collected on, not total production.

California's crop was larger this year than last – 5.7 million 18-lb. boxes. Still low when compared to 8-10 million boxes in a more-normal year. Warm winters and drought have taken their toll on cherry production. There has been a little overlap between the California and Northwest cherry crop with the early start here.

Lynn Long, OSU Extensions Service, provided a crop update on June 2 with input from growers, fieldmen, WSU Extension and NW Cherries. The Mid-Columbia has seen weather conditions from high temperatures to thunderstorms in the last week or so, but no significant damage has been reported. There was some hail damage in the Hood River area a couple weeks ago, but nothing more since then. Fruit quality of Chelans is very good this year, size is peaking on 10 and 9 ½ row. There have been some doubles and bird beaks.

It is anticipated that the first Bing cherries will be harvested from Dallesport on June 8 or 9 followed with the first Bing harvest in The Dalles on June 10. The Mosier Bing harvest is expected to start on June 11 with the last Bing fruit coming out of Mosier sometime around June 18.

Spotted wing Drosophila trap counts are higher than normal for this time of year in both Wasco and Hood River counties. Some of the perennial hotspots in Dallesport and Mosier continue to show high numbers even after the cherry fruit fly sprays were applied. Aerial malathion may not be enough to control SWD so be sure that you evaluate your program carefully.

In an email alert that received from Tim Smith, WSU Extension in Chelan County, he stated "Flies are active in the greater Wenatchee area as indicated by traps. Low capture was recorded the 2nd week of May, and much higher numbers the last week of May. These May catches were considerably higher than those caught (with the same lure) in June of 2014 – so, earlier and higher. This is not unexpected given the extremely mild winter of 2014-2015, with only a minor cold spell last November-early December. More importantly, infested fruit have also been found in the orchard at two sites on early- maturing cultivars, even though appropriate sprays had been applied. The 2015 cherry growing season may be shaping up to have higher and earlier pressure than 2013, so plan accordingly."

Some growers are struggling to find enough labor to pick their early cherries. Children of pickers are still in school in California, so many families won't be leaving for the Mid-Columbia until kids are out of school. For now growers are scrambling to get their cropped picked and have been borrowing pickers from neighbors, when possible.

The report out of the Willamette Valley is that picking started June 5 and so far the crop has been a little larger than estimates. The quality is average to above average with the fruit running a little smaller than last year. There was a small amount of rain-damaged fruit that has been picked and the current forecast shows no rain for some time to come. It's estimated that over half of the brine cherries are machine harvested in the Valley as opposed to hand picked.

In Eastern Oregon the November freeze and a freeze in March have damaged some trees

to the extent that they were removed. There was hail the first week in June that damaged the northern part of the area. These events have pushed the crop estimate to 50% of the 2014 crop. It is still too early in development to determine what the fruit quality will be.

B.J. Thurlby wrote - As the last of the California Cherries are shipped ... harvest continues to gear up here in the Northwest. Certainly, the Northwest crop began harvest as early as we have seen beginning on May 23rd ... however ... our earlier varieties of Chelan, Tieton and Santana have seen some weather issues and initial packouts have been lower than estimated. Through today, industry has shipped nearly 1.7 million 20-pound boxes. So far, most Washington orchards are picking out 10% below what was originally estimated ... the news is marginally better for our Oregon growers ... as packouts and volume are coming in higher than what was expected after the severe November freeze.

The good news is that early districts began harvest on the Bing variety this weekend and growers are expecting higher volume and packouts on what appears to be a very clean crop of our most prevalent variety. To date, our largest shipping day (Friday, June 5th) reached just over 250,000 boxes. We expect to be shipping over 400,000 boxes per day in the near future. It is important to note that during the shipping of the record 2014 crop the industry shipped over 500,000 boxes for a total of 34 days. In short, we have a great deal of cherries on the way.

The Crop Estimate indicates that we can continue to expect more fruit in June than ever before (up to 11 million boxes), which would allow for more volume to support U.S. promotions around Father's Day and Independence Day celebrations. Harvest is expected to remain at full speed over the next few days, and consumer demand is expected to remain strong and significant both domestically and abroad.

The industry estimate is tracking 380,000 boxes behind the Rd 3 estimate. Again, I believe this is based on most growers starting 2 or 3 days later than they expected in our Round 3 Estimate data that was collected two weeks ago. Likewise, we knew that the front end was "rough" and estimated a 75% packout on early varieties. I've heard that some packouts are well below the 75% threshold on the front end.

The domestic market has taken approximately 70% of the total crop to date. The export market has also remained strong with Korea leading the way by absorbing a total of 120,000 boxes to date. Both China and Japan are running a close behind having absorbed almost 100,000 boxes each at this point in the season.

Commissioners, **Megan Thompson** and **Steve Sandau**, will have completed their second 3-year terms at the end of June. They are not eligible for re-appointment at this time because OSCC set up term limits. We would like to thank them for their dedication to serving on the Sweet Cherry Commission.

If you are interested in applying for the open position to represent The Dalles/Wasco County region and (position 4) one from the Willamette Valley region (position 3) contact the OSCC office on how to get an application form.

They are available online at this address:

<http://www.oregon.gov/ODA/shared/Documents/Publications/MarketAccess/CommodityCommissionApplication.pdf>.

Assessments on sweet cherries grown in Oregon are due and payable for Fresh Market, Canned, Frozen and cherries picked for Brining. If you take your fruit to a packinghouse these assessments are withheld from the sales proceeds and turned in to the OSCC at the approved rate for each use. The packinghouse is the first handler.

In general, the first purchaser (aka the first handler) is responsible for withholding the assessment. In the case of a packing- house it makes sense for them to withhold and report the assessments because they are aggregating a number of growers and collecting money from the sale.

If a producer sells their cherries either direct (for example in bulk to a grocery store or farm stand operator) or through their own stand or u-pick operation, the producer is considered the first handler. Cherries sold in this way are being sold as fresh market so the rate is \$27 per ton (\$0.0135 cents per lb.) There is a one (1) ton exemption for each producer per season/per calendar year. That means you can sell one ton or less without paying assessments, but anything over that is subject to the assessment. (The Oregon Administrative Rule is 669-010-0015 through 669-010-0050.)

The OSCC has been updating the mailing list for the past several years so that fruit stands and u-picks receive the assessment form that includes the due date for payment, the rate and asks for a few details regarding dates of sale, etc. If less than one ton of cherries are sold direct from your farm make a note on the form: "Sold less than one ton direct," sign it, correct any address errors and send it back. If more than one ton is sold, deduct the first ton and then calculate the amount owed and send it in by the due date.

Now for the penalty part of the law – if assessments are not reported and paid timely there are stiff penalties (10% of the amount due plus 1 ½% per month interest on the unpaid balance) backed up by the Oregon Department of Justice and the collection efforts can be turned over to the Oregon Department of Revenue. The OSCC Commissioners and this Administrator do not like to use this option, but it is the law and it can be brought to bear. (ORS 576.355-576.365.)

Growers voted to approve assessments on sweet cherries and the creation of the OSCC in 1989. The major percentage of assessments on fresh cherries is used to partner with Washington, Idaho, Utah and Montana to promote all fresh Northwest cherries domestically and internationally. This partnership provides great leverage for the Oregon promotion dollars because Washington alone produced over 80% of fresh cherries in the U.S. in 2014. Approximately 30-35% of the NW crop is exported each year. Domestic promotion efforts focus on the health benefits and seasonality of cherries, to educate retailers on the techniques and benefits of promoting cherries in their stores and to provide support for newspaper and in-store ads among other things. Assessments on all cherries are used to partner with Washington, California and sometimes Michigan to fund research projects on various aspects of cherries.

If you have a fruit stand or make direct sales watch for the assessment form sometime in July or contact the OSCC office to provide your email address and they can be emailed as an EXCEL worksheet or in PDF to print off. Please contact the OSCC office if you have questions. Some posters and point-of sale consumer material are also available by contacting the office.

MEETING CALENDAR

REGULAR AUGUST SWEET CHERRY
COMMISSION MEETING

THURSDAY, AUGUST 6, 2015

COLUMBIA GORGE COMMUNITY
COLLEGE

ROOM 1.162 OFF THE CAFETERIA
BUILDING 1, 400 E SCENIC DR.

THE DALLES, OR 97058

10:00 A.M. MEETING STARTS

AN RSVP TO THE OSCC OFFICE
HELPS WITH ASSURING PROPER
ACCOMMODATIONS

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.

OSCC Administrator

Dana Branson

Tel: 541-386-5761

Fax: 541-386-3191

2667 Reed Rd.

Hood River, OR. 97031

Email: osweetcherry@gmail.com

LeRoy Nickerson, my husband and co-Administrator passed away unexpectedly January 10, 2015. I miss his technical support and expertise on many levels. Thank you for your understanding during this difficult time.

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, previous issues and meeting minutes are available on the OSCC website. www.osweetcherry.org.

Oregon Sweet Cherry Commission meetings are open to the public. In general they are held bi-monthly in August, October, December, February, April and June. There is not a set schedule because meeting dates are set around the Commissioners time frames.

Commissioners serve voluntary three-year terms. The Director of the Oregon Department of Agriculture makes the appointments. If you're interested you can contact the OSCC office or go to <http://www.oregon.gov/ODA/programs/MarketAccess/Pages/OregonCommodityCommissions.aspx> online to print a form.

Agendas are posted two weeks before the meeting date on the OSCC web site <http://www.osweetcherry.org>. You can also call or email the OSCC office if you'd like to know when and where the next meeting is.

Research project topics being funded by the OSCC in partnership with Washington and California this season include:

Continuing work on the Cherry Breeding Program
Insecticide Resistance of SWD
Factors affecting the fruit phase of cherry mildew
Continuing work on Developing Rootstocks
New Cherry DNA tests
Improving shipping quality with Calcium and NaCl sprays
Effects of near-harvest irrigation on fruit quality
New programs to increase fruit size and quality
Residue remediation postharvest to reduce MRL trade barriers
Assessment of November freeze injury
Support for Mid-Columbia Ag Center

If you're interested in more detail please visit the OSCC website www.osweetcherry.org and look under Resources for links to the MCAREC and Wasco County Extension sites. You can also go to www.treefruitresearch.com/research-reviews/index.html and click on the NW Cherry Review or call the OSCC office if you need help navigating the sites.

Commissioners 2015-2016

Dan Crouse, Chairperson

Producer, The Dalles, OR
541-920-7208, jdcrouse@gorge.net

Stacey Cooper, Vice-Chairman

Producer, The Dalles, OR
541-288-6773,
coopercherryorchards@gmail.com

Jeff Heater, Secretary/Treasurer

Fresh Handler, Underwood Fruit,
Mid-Columbia area
541-308-6175, jheater@uwfruit.com

Tim Ramsey

Handler, Oregon Cherry Growers, Salem, OR
503-364-8421, tramsey@orcherry.com

Andrea Galloway

Producer, Cove, OR
541-568-4541, yabal8881@gmail.com

Tom Brateng

Producer, Dallas, OR
503-949-6588, thomasreine@gmail.com

Jim Markman

Public Member, The Dalles, OR
541-298-3400, jim.markman@farm-credit.com

Les Stephens

Producer, Dayton, OR
503-860-1334, Shad-O-Hill@comcast.net

Leonard Aubert

Producer, Parkdale, OR
541-308-6008, aubert@gorge.net

Ryan Bond

Producer, The Dalles, OR
541-993-0463, bonrya@yahoo.com

Wasco County Commission Position 4 open

Willamette Valley Commission Position 3 open

Oregon Sweet Cherry Commission

July 1, 2015 - June 30, 2016

| | ACTUAL 2013-2014 | APPROVED 2014-2015 | ESTIMATED 2014-2015 | PROPOSED 2015-2016 | ADOPTED 2015- 2016 |
|-------------------------------------|---------------------|-----------------------|------------------------|-----------------------|-----------------------|
| Beginning Cash Balance | 886,895 | 884,805 | 884,805 | 923,226 | 923,226 |
| REVENUE | | | | | |
| Producer Assessments | 919,500 | 1,537,500 | 1,259,120 | 1,255,250 | 1,255,250 |
| Other Income | 30 | 25,000 | 4,867 | 20,000 | 20,000 |
| Interest Income | 3,447 | 20,000 | 4,960 | 15,000 | 15,000 |
| TOTAL REVENUE | 922,977 | 1,582,500 | 1,268,947 | 1,290,250 | 1,290,250 |
| Available for Fiscal Year | 1,809,872 | 2,467,305 | 2,153,752 | 2,213,476 | 2,213,476 |
| Expenditures | 1,809,872 | 2,467,305 | 2,153,752 | 2,213,476 | 2,213,476 |
| Ending Cash Balance | 0 | 0 | 0 | 0 | 0 |
| SUMMARY OF EXPENDITURES | | | | | |
| Personnel Services | 0 | 0 | 0 | 0 | 0 |
| Materials and Services | 61,482 | 84,250 | 63,486 | 85,750 | 91,525 |
| Special Payments | 1,648,832 | 2,272,555 | 1,980,783 | 2,014,726 | 2,008,951 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 |
| Commission Program/ODA | 24,557 | 35,500 | 34,483 | 38,000 | 38,000 |
| Emergency Fund | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| TOTAL BUDGETED EXPENSES | 1,809,872 | 2,467,305 | 2,153,752 | 2,213,476 | 2,213,476 |
| Expenditure Detail | | | | | |
| Personnel Services | | | | | |
| Wages and Salaries | 0 | 0 | 0 | 0 | 0 |
| Commission Per Diem | 0 | 0 | 0 | 0 | 0 |
| Total Personnel Services | 0 | 0 | 0 | 0 | 0 |
| Materials and Services | | | | | |
| Public Relations | 8,225 | 8,500 | 8,649 | 12,000 | 12,000 |
| Memberships | 500 | 500 | 500 | 500 | 500 |
| Materials & Supplies | 0 | 250 | 0 | 250 | 250 |
| Grower Communications | 756 | 4,000 | 750 | 3,000 | 3,000 |
| In-State Travel, Meals & Lodging | 4,489 | 8,000 | 6,000 | 8,000 | 8,000 |
| Out-State Travel, Meals & Lodging | 7,030 | 10,000 | 7,850 | 10,000 | 10,000 |
| Insurance and Fidelity Bonds | 191 | 500 | 341 | 500 | 500 |
| Office Supplies & Expenses | 1,042 | 4,000 | 1,000 | 3,000 | 3,000 |
| Audit and Legal | 750 | 10,000 | 1,500 | 10,000 | 10,000 |
| Administrative Service Contract | 38,500 | 38,500 | 36,896 | 38,500 | 44,275 |
| Total Materials and Services | 61,482 | 84,250 | 63,486 | 85,750 | 91,525 |
| Special Payments | | | | | |
| Fresh Fruit Promotion | 520,193 | 900,000 | 723,983 | 720,000 | 720,000 |
| Processed Fruit Promotion | 52,740 | 66,000 | 59,789 | 60,500 | 60,500 |
| Production Research | 200,855 | 400,000 | 291,655 | 400,000 | 400,000 |
| Reserve Fund | 881,691 | 891,555 | 905,356 | 819,226 | 813,451 |
| Other | (6,646) | 15,000 | 0 | 15,000 | 15,000 |
| Total Special Payments | 1,648,832 | 2,272,555 | 1,980,783 | 2,014,726 | 2,008,951 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 |
| Commission Program/ODA | 24,557 | 35,500 | 34,483 | 38,000 | 38,000 |
| Emergency Fund | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |

Budget Note on Producer Assessments

| | |
|-----------------------------|-----------|
| Fresh 40,000 @ \$27.00/ton | 1,080,000 |
| Brined 11,000 @ \$12.25/ton | 134,750 |
| Frozen 4,000 @ \$6.75/ton | 27,000 |
| Canned 2,000 @ \$6.75/ton | 13,500 |
| Total Assessments | 1,255,250 |

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