

# From the Orchard

News from the Oregon Sweet Cherry Commission

Spring 2017

## 2017 Cherry Season

**B.J. Thurlby**

WSFC - NW Cherries, President

The 5-State Cherry Meeting is scheduled for Wednesday, May 17, 2017 in Richland, WA. This is the annual meeting of grower representatives from Oregon, Washington, Idaho, Utah and Montana where crop estimates are made and the NW Cherries promotional plan is presented. B.J. Thurlby, Washington State Fruit Commission and NW Cherries, sent the following information describing his view of the 2017 season as it looked in early April.

### When a Long Cold Winter Finally Gives Way to Spring ... Maybe

As I sit here in my office in Yakima, Washington, on April 7<sup>th</sup>, it's cold and raining outside. We just came through the rainiest March on record. The view from the window tells me the season has yet to give way to what most of us would call "spring

Continued on pages 2 - 4.

## Collections Committee

**Dana Branson**

OSCC Administrator

A committee was appointed during the November 2016 regular OSCC meeting to work on collections procedures. Ryan Bond, Les Stephens and Jim Markman agreed to serve on the committee, with Jim acting as Chairman. The purpose was to improve the timely reporting and collection of fresh assessments, especially from fruit stands and direct bulk sellers. Overall the commercial packing houses are familiar with the law and are accustomed to the due dates. But with later varieties the September due date is not as easy for fruit stands. After discussion it was decided to put forth an Administrative Rule change to adjust all the due dates.

For the past several years the OSCC has been working with fruit stands and growers that sell

Continued on page 6

## INSIDE THIS ISSUE

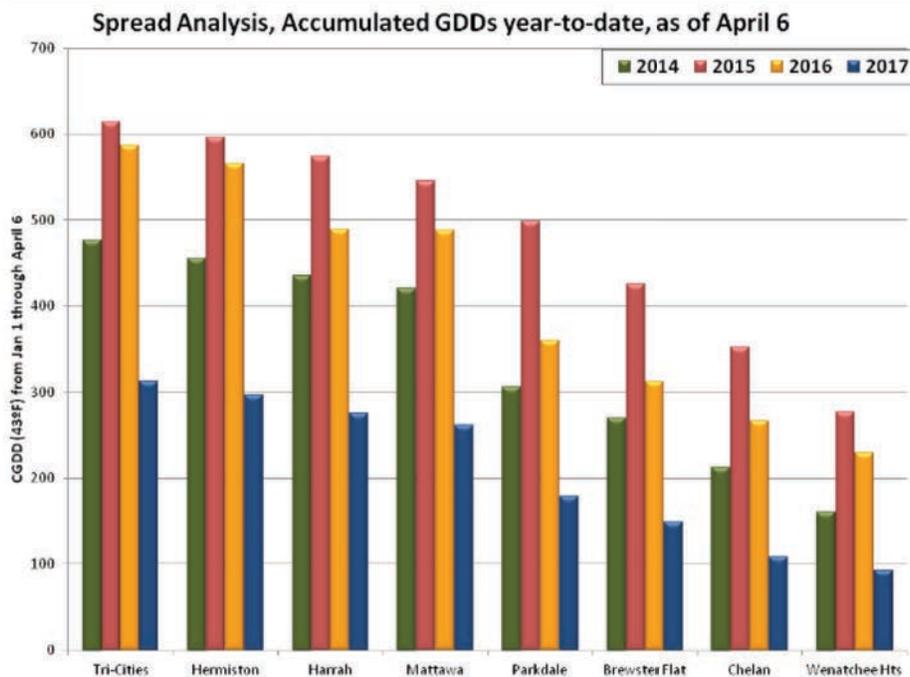
<b>1</b>	2017 Cherry Season	Page 1
<b>2</b>	Collections Committee	Page 1
<b>3</b>	Cherry Crop History	Page 1
<b>4</b>	Commissioner & General Info	Page 5
<b>5</b>	Meeting Calendar	Page 7
<b>6</b>	Proposed 2017-2018 Budget	Page 8

## Oregon Crop History

	Actual	Actual	Actual
<u>Type</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Fresh	41,156	21,784	40,276
Brine	9,046	8,460	10,871
Canned	1,250	793	1,404
Frozen	<u>2,680</u>	<u>1,775</u>	<u>4,297</u>
<b>TOTAL</b>	<b>54,132</b>	<b>32,812</b>	<b>41,186</b>

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

time conditions”. By most standards, this past winter was a bell ringer. For those who have spent a few years living in the Washington, Oregon, Idaho, Montana and Utah cherry growing regions ... cold winters are not shocking events ... it gets cold here every winter and that is part of the production formula that makes our fruit the best in the world. This past winter, however, the eastern Washington region saw 61 inches of snow which made all of my skiing friends happy but it made winter orchard work more challenging. In contrast, the normal snow fall here is closer to 42 inches. The average daily temperature was 6-10 degrees colder than normal for December through February. Our growing regions saw the coldest winter since 1985 (only 1949 was colder than 1985) – which makes this winter the third coldest on record. I have growers in upper Wenatchee reporting that they still have 10 inches of snow in their orchards. Washington State University Cherry Guru Dr. Matthew Whiting tells me he had snow layered over the floors of his test orchards in Prosser, Washington, for longer than has ever been recorded there. It’s April and, while we have seen quite a few days climb into the 60° F temperature range, the total number of degree day units built up are not even close to those we have seen the past three years. This chart gives you a quick reference point for where we are on degree days for the region compared to the recent past:



However, a close examination of some local cherry and apricot orchards show that that fruit buds are slowly being coaxed into bloom. Certainly, bloom is behind the past several years timing wise ... but not behind the bloom timing we saw from 2008 to 2012. As a result, the message to the world produce trade is that Northwest cherries will begin harvest in a more traditional timing window which should open near the end of the first week of June. With a little luck and a warm May we should be able to get volume and momentum rolling in time for the U.S. 4<sup>th</sup> of July holiday. However, at this point I am comfortable in estimating that the largest portion of the crop will come off in July and for the first time in three years we will be back in the cherry business in August. As always, the trade media is already asking for a crop estimate and while we all know that any guess at this stage of the game is “pie in the sky”, I am comfortable saying we expect to be in the range of 20 million 20 lb. equivalent boxes this summer (which is the five-year average volume from 2012 to 2016). Earlier I noted that the only colder winter (since 1949) than the one we just went through occurred in 1985. Of

course, this begs the question ... what kind of crop did the Northwest have in 1985? A quick survey of several long-time industry members revealed that the final harvest was 1.8 million 20 lb. equivalent boxes, which was a season that began with a short crop then ended up seeing several June rain events before the last cherry was picked. In 1986, the crop came back in earnest and we saw a record crop of 4.8 million boxes shipped that season.

While none of us can control the weather; here at the Washington State Fruit Commission we can control how we set the table in the marketplace for summer harvest. Our team has been running since early February, meeting with retailers, importers and the worldwide media in an effort to make sure that our fruit is a key part of the world's summer merchandising and menu plans.

Certainly, our bread and butter for stone fruit sales is the North American market and programs and media focus will be strong here on our home turf. From an export perspective, the Northwest Cherry Growers will run promotion programs in 19 countries/markets this summer including the U.S., Canada, Mexico, the United Kingdom, Belgium, Australia, Brazil, China/Hong Kong, Taiwan, Japan, South Korea, Malaysia, Thailand, Philippines, Myanmar, Cambodia, Vietnam and Singapore. Despite a change in the U.S. political landscape, we have applied for and received funding for our 5 state production region of just over 1.8 million dollars. Matched with grower dollars, we will spend 60% of our promotion budget in the export markets in 2017.

Every Northwest cherry season plays out differently and, as a result, every promotion year is different based on when and where we align our promotional activity for the crop. Every year we try to infuse new activities into our overall programs. New this year will be Northwest Cherry Care and Handling programs in the two emerging markets of Myanmar and Cambodia. Brisk economic development throughout Southeast Asia and a growing middle class is what drew us to look into the potential of promoting in these markets. We study potential emerging markets and assess whether or not there are any technical/phytosanitary issues that would keep us from shipping fruit to the market.

#### Myanmar

The capital of Myanmar is Naypyidaw but the largest economic growth is in the import hub of Yangon City. As a result, our visits and meetings to Myanmar took place in Yangon City. The new civilian led reformist government has taken charge and the country has begun to open up to foreign direct investments. Myanmar's economy is quite diversified. The most important sector of the economy is services, which has been growing steadily in the last few years, and now accounts for over 38 percent of their GDP. The share of agriculture has been declining and now represents 36 percent of GDP. Finally, industry contributes the remaining 26 percent of GDP. Most of the foreign investments come from Japan, Korea, China and Singapore. In our initial market visit we saw many Korean and Japanese brands around the city (ex. Lotte, LG, Aeon, Hyundai, etc.). According to Myanmar governmental data, its GDP per capita is about US\$1,300 and GDP per capita PPP is about US\$4,950. Our initial assessment of Yangon City is that it looks like Ho Chi Minh City, Vietnam, 10 years ago. Vietnam has become a high end market that takes volume on large size fruit and continues to increase consumption of Northwest cherries each year.

#### Cambodia

The total population of Cambodia is about 16 million and the median age of the population is 24.2. The largest city, Phnom Penh, has around 5 million people. Phnom Penh is developing quickly as one can see that new roads, bridges, apartments/condos, office buildings, etc. are being built or completed

all over the city and a new airport is close to being finished. Numerous foreign investments have flooded into the market in recent years. Many well-known international brands have entered the market. We also noticed many trendy restaurants and cafés have opened in the downtown area that is tailored to younger crowds and middle income and above families. Cambodia's GDP per capita is about US\$1,021 and GDP per capita PPP is about US\$3,278. The Cambodian government is aiming to maintain the 7 plus percent annual growth.

There appears to be adequate cold storage in Phnom Penh, which is vital as the summer temperature could reach 100° F with low humidity. Import duty for Northwest cherries is 7.5% plus 10% VAT. The goal will be to enter the market by working with one or two key retail groups to merchandise and promote our fruit. As the market leaders gain traction in selling cherries, our hope is that other retailers and importers will jump on the Northwest cherry band wagon.

#### New Developments on the Health Research Front

*We continue to implement cherry health research projects that can lead to meaningful story lines that help us generate consumer interest in our fruit. The process of developing meaningful findings is a slow one. In 2015, we applied for and received a \$70,000 grant from the Washington State Department of Agriculture to study the effects of our cherries in relation to the gut health of obese and diabetic mice. Our lead researcher and developer of the project is Dr. Giuliana Noratto who is a food scientist and PhD in the Food Science and Technology department at Texas A&M University. After a year and half of feeding Northwest cherries to laboratory mice, Dr. Noratto is preparing to submit her findings to the broader research community in a report called "Positioning cherries among Super fruits for intestinal health". Overall, her research produced some positive results (that need to be explored further). In layman's terms, her findings showed improved liver function, improved digestive function and anti-inflammatory benefits that positively affected mouse obesity and diabetes. In her own scientific terms, the findings exhibited these positive results:*

1. Cherry intake decreased liver steatosis and ameliorated inflammatory interleulin (IL)-6 and fasting glucose levels in obese diabetic mice.
2. Cherry intake modified fecal bacteria at phylum level making the obese diabetic mice resemble or improving the profiles found in lean mice control.
3. Cherry intake decreased relative abundances of proteobacteria phylum which include a wide variety of pathogens and increased relative abundances of *Faecalibacterium prausnitzii*, abutyrate-producing bacteria with anti-inflammatory effects and *Akkermansia muciniphila*, which may be able to be used to combat obesity and type 2 diabetes.

At this point, Dr. Noratto is in the process of preparing to share her findings at several key health focused conventions including the Association of Experimental Biology convention in Chicago this month. She is submitting her findings for peer review in the scientific publication *Food Chemistry and Food Function*.

Terms for Commissioners Ryan Bond and Leonard Aubert representing producers are expiring June 30, 2017. They are eligible for re-appointment and have sent in their applications. Tim Ramsey's term as the Processed Handler representative is also expiring June 30, 2017. It's not known if he will be re-applying for another term.

Wade Root, a Mosier grower, has applied for the partial term producer position to represent the Mid-Columbia area (P4) that will end June 30, 2018. Application forms are available by contacting the OSCC office or online at this address:

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

**The OSCC thanks all the Commissioners for their dedication in serving on the Sweet Cherry Commission.**

### OSCC Officers

At the last meeting of the fiscal year, which coincides with the Budget Hearing, the Sweet Cherry Commission elects officers for the next fiscal year. Being an officer requires more commitment and so volunteers are solicited to stand for election rather than being appointed or nominated. The commissioners don't want to put anyone in a position they haven't agreed to. Officers need to know what will be expected and agree to the responsibility.

The following slate of officers have agreed to stand for election at the next OSCC meeting on June 1<sup>st</sup>:

Dan Crouse, Chairman  
Stacey Cooper, Vice Chairwoman  
Leonard Aubert, Secretary/Treasurer

### Commissioners thru June 30, 2017

#### Dan Crouse, Chairperson

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

#### Stacey Cooper, Vice-Chairman

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

#### Leonard Aubert, Secretary/Treasurer

Producer, Parkdale, OR  
541-308-6008, [aubert@gorge.net](mailto:aubert@gorge.net)

Tim Ramsey, Processed 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)

Steve Sandau  
Producer, Dallas, OR  
503-991-0202, [sandau@wildblue.net](mailto:sandau@wildblue.net)

Jim Markman  
Public Member, The Dalles, OR  
541-99-1626, [jim.markman15@gmail.com](mailto:jim.markman15@gmail.com)

Les Stephens  
Producer, Dayton, OR  
503-860-1334, [Shad-O-Hill@comcast.net](mailto:Shad-O-Hill@comcast.net)

Megan Thompson  
Fresh Handler, Oregon Cherry Growers,  
Mid-Columbia area  
541-288-6753, [mthompson@orcherry.com](mailto:mthompson@orcherry.com)

Ryan Bond  
Producer, The Dalles, OR  
541-993-0463, [bonrya@yahoo.com](mailto:bonrya@yahoo.com)

Kris Brunner  
Producer, Dayton, OR  
503-437-0672, [shadohillbrunner@gmail.com](mailto:shadohillbrunner@gmail.com)

Mid-Columbia Producer, Position 4 open

direct in bulk to educate them on the law requiring the reporting and payment of assessments on fresh cherries once sales surpass the exempted amount of 2,000 pounds.

The due date for fresh cherry assessments is broken into two time periods – If the fruit was purchased or delivered before August 1, the due date for assessments and report is September 1. For cherries purchased or delivered after August 1, the due date is October 1. As the cherry season extends with later varieties and in the interest of simplifying the instructions, the Committee thought it would be helpful to convert to one date – October 1. There are provisions for making an estimated payment if necessary and those will remain.

Similarly, the due date for processed cherries (brined, canned and frozen) has two time periods also. Cherries destined for processing purchased or delivered to the first purchaser before December 1, the due date for assessments and report is December 15. For cherries purchased or delivered to the first purchaser after December 1, the due date is May 15. The vast majority of processors report and pay assessments by the December 15 due date. Dana checked with several and most indicated that consolidating to one due date of October 1 for all assessments would not be a hardship and in most cases, they indicated it would be easier to get all the assessments done at once.

An Administrative rule change was filed with the state appearing in the April 1 Bulletin. A public hearing is scheduled at 10:00 a.m. on Monday, May 22, 2017 in the meeting room at the OSU Extension office 2990 Experiment Station Dr., Hood River, OR. A public notice was placed in the Oregonian and written comments will be received in the OSCC office until 5:00 p.m. on Wednesday, May 3, 2017. Adjustments in the proposed rule can and will be made if the comments received indicate that moving the date back for fresh and earlier for processed cherries is a big problem.

Some other recommendations that came out of the Collections Committee include sending two reminder notices prior to the due date for reports and payments in addition to the forms that also show the due date. One penalty letter will be mailed if there's no response by the due date and then the matter will be turned over to the Department of Justice for their follow up.

Your assessments are used to fund promotion programs through Northwest Cherries in partnership with Washington, Utah, Idaho and Montana. These programs are for both the U.S. market and export. Partnering with these states helps Oregon growers leverage their money. Assessment money is also used to partner with Washington, California and Michigan to fund cherry research on all aspects of growing better cherries – new varieties and rootstocks, pest control, training systems, post-harvest handling and shipping, etc.

**Sincere condolences to the family of Yan Wang. Yan passed away unexpectedly on Thursday, April 27. He led the postharvest physiology research program at MCAREC since 2011 as an Assistant Professor, Horticulture Department at OSU. He will be missed. Rest in peace.**

**MEETING CALENDAR**

5 STATE CHERRY MEETING  
WEDNESDAY, MAY 17, 2017  
10:00 A.M.  
HANFORD HOUSE HOTEL  
RICHLAND, WA

RSVP TO KATHY KEETH BY 5/1/17

[KATHY@WASTATEFRUIT.COM](mailto:KATHY@WASTATEFRUIT.COM)  
509-459-4880(FAX)

**PRE-HARVEST CHERRY TOUR**

THURSDAY, JUNE 1, 2017  
8:00 A.M. TO NOON

FOR DETAILS GO TO:

[HTTP://EXTENSION.OREGONSTATE.E  
DU/WASCO/HORTICULTURE](http://extension.oregonstate.edu/wasco/horticulture)

**BUDGET HEARING AND REGULAR  
SWEET CHERRY COMMISSION  
MEETING**

THURSDAY, JUNE 1, 2017  
COLUMBIA GORGE COMMUNITY  
COLLEGE  
ROOM 1.162 OFF THE CAFETERIA  
BUILDING 1, 400 E SCENIC DR.  
THE DALLES, OR 97058

2:00 P.M. MEETING STARTS  
FOLLOWING THE PRE-HARVEST  
ORCHARD TOUR.

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.

Professor Lynn Long, Wasco County Extension Horticulturist, has announced his retirement as of June 30, 2017. Lynn and his research with cherry varieties, rootstocks and training systems have been a staple for years. He has evaluated almost 100 varieties for potential adoption by the industry. He's written or co-wrote grower Extension publications too numerous to list. The industry would like to acknowledge and thank Lynn for all the years of hard work he has given. We wish him all the best in retirement.

**THANK YOU, LYNN!**

**OSCC Administrator**

Dana Branson

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, previous issues and meeting minutes are available on the OSCC website. [www.osweetcherry.org](http://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.

Oregon Sweet Cherry Commission  
July 1, 2017 - June 30, 2018

	ACTUAL 2015-2016	APPROVED 2016-2017	ESTIMATED 2016-2017	PROPOSED 2017-2018
Beginning Cash Balance	923,226	797,674	797,674	796,291
<b>REVENUE</b>				
Producer Assessments	709,635	1,255,250	1,255,250	1,525,250
Other Income	2,023	20,000	2,851	20,000
Interest Income	2,042	10,000	1,945	10,000
<b>TOTAL REVENUE</b>	<b>713,700</b>	<b>1,285,250</b>	<b>1,260,046</b>	<b>1,555,250</b>
Available for Fiscal Year	1,636,926	2,082,924	2,057,720	2,351,541
Expenditures	1,636,926	2,082,924	2,057,720	2,351,541
Ending Cash Balance	(0)	0	0	0
<b>SUMMARY OF EXPENDITURES</b>				
Personnel Services	0	0	0	0
Materials and Services	69,141	93,675	77,957	88,875
Special Payments	1,467,232	1,876,249	1,871,077	2,162,666
Capital Outlay	0	0	0	0
Commission Program/ODA	25,553	38,000	33,686	25,000
Emergency Fund	75,000	75,000	75,000	75,000
<b>TOTAL BUDGETED EXPENSES</b>	<b>1,636,926</b>	<b>2,082,924</b>	<b>2,057,720</b>	<b>2,351,541</b>
<b>Expenditure Detail</b>				
<b>Personnel Services</b>				
Wages and Salaries	0	0	0	0
Commission Per Diem	0	0	0	0
<b>Total Personnel Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Materials and Services</b>				
Public Relations	9,109	12,000	11,038	12,000
Memberships	500	500	150	500
Materials & Supplies	0	250	0	250
Grower Communications	987	3,000	750	3,000
In-State Travel, Meals & Lodging	4,047	8,000	3,610	8,000
Out-State Travel, Meals & Lodging	8,006	12,000	9,425	12,000
Insurance and Fidelity Bonds	609	650	609	850
Office Supplies & Expenses	1,099	3,000	1,300	3,000
Audit and Legal	509	10,000	6,800	5,000
Administrative Service Contract	44,275	44,275	44,275	44,275
<b>Total Materials and Services</b>	<b>69,141</b>	<b>93,675</b>	<b>77,957</b>	<b>88,875</b>
<b>Special Payments</b>				
Fresh Fruit Promotion	392,109	720,000	740,816	900,000
Processed Fruit Promotion	46,529	60,500	50,131	60,500
Production Research	363,010	400,000	352,318	400,000
Reserve Fund	665,583	680,749	727,812	787,166
Other	0	15,000	0	15,000
<b>Total Special Payments</b>	<b>1,467,232</b>	<b>1,876,249</b>	<b>1,871,077</b>	<b>2,162,666</b>
<b>Capital Outlay</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Commission Program/ODA</b>	<b>25,553</b>	<b>38,000</b>	<b>33,686</b>	<b>25,000</b>
<b>Emergency Fund</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>
<b>Budget Note on Producer Assessments</b>				
Fresh 50,000 @ \$27.00/ton				1,350,000
Brined 11,000 @ \$12.25/ton				134,750
Frozen 4,000 @ \$6.75/ton				27,000
Canned 2,000 @ \$6.75/ton				13,500
<b>Total Assessments</b>				<b>1,525,250</b>

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