



Trade



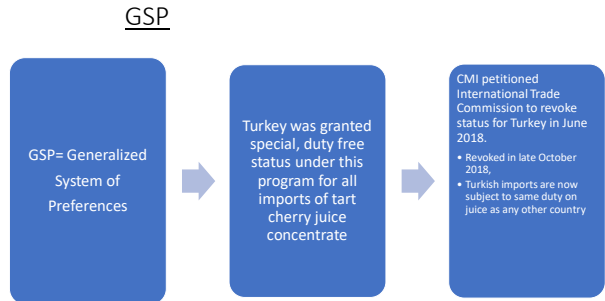
AMS-USDA

- Agricultural Marketing Service
 - Made clear that CIAB has no role in influencing trade policy
 - But, AMS/USDA can purchase surplus cherries
- December 2018: industry representatives requested 2019 purchase of TC products

CROP YEAR	USDA BONUS PURCHASE (lbs RPE)
2015	42.7
2016	11
2017	0
2018	30
Avg	21

8E Provisions for Marketing Orders

- 8E- Exclusive to the marketing order.
 - The industry may be able to use to ensure imported tart cherry products are of the same quality as domestic
 - CMI worked to include provisions for tart cherries in the Farm Bill.
- Next Step- CIAB needs to adopt standards for domestic products**
 - Once adopted, standards will be applied to imports
 - Excellent opportunity for Dried



Dumping and Countervailing Duty Cases



- The tart cherry industry has been exploring the possibility of a dumping cases for multiple products
- USTR and ITC involved in these cases
 - Minimum of 1.5 - 2 year timeline, sometimes as much as 14 years
 - About \$2 million to fully file a case
 - CMI and CIAB do not have standing
- Most recently successful dumping case for an ag product was for ripe pitted olives
 - 2 US processors vs. Olives from Spain
 - Cases provide for 5 years of protection
 - ITC found about 20% dumping margin

Political



Industry members continue to stress importance of fair trade

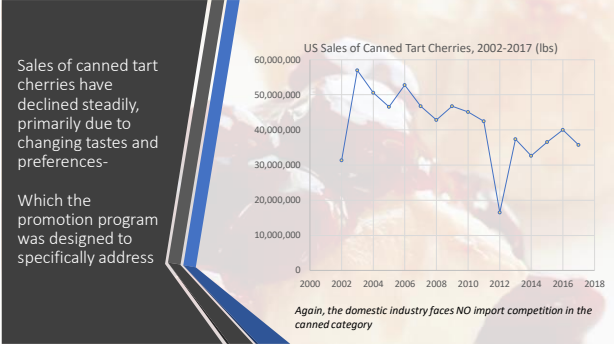
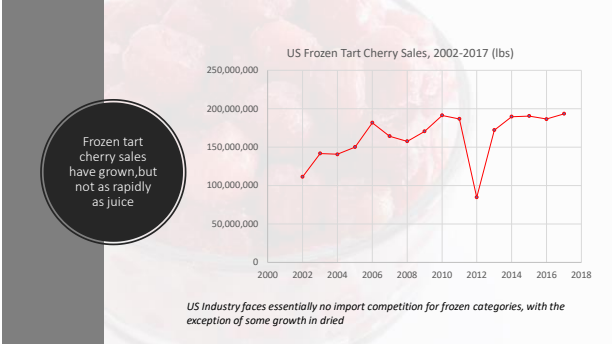
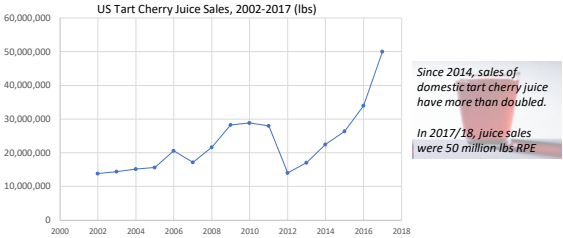


Turkish economy melting down with depreciating Lira and rising interest rates and unemployment

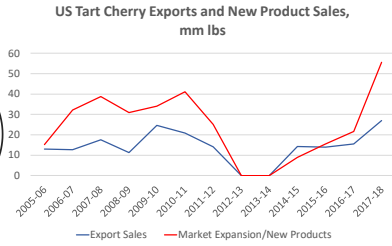
Where to from here?

- ✓ 1. US Industry should focus on promotion, innovation and use of our unique tools- evidence in sales
- 🏠 2. Industry continues to develop and sell new, innovative items for which the FMO provides incentives
- 📈 3. Promotion and Health Benefits Research
- 📄 4. CIAB Update

1. US Industry focus must be on promotion, innovation in production, processing and sales and use of our unique tools afforded by the FMO

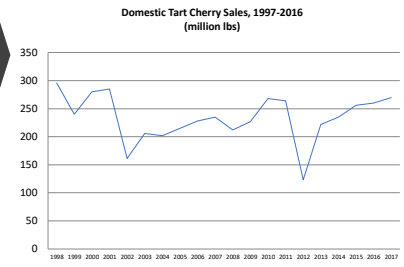


2. Our industry continues to develop and sell new, innovative items



TOTAL SALES for 2017-18 were the highest since 2001

But unfortunately during this time period the industry has suffered through two market rebuilding periods resulting from crop failures.



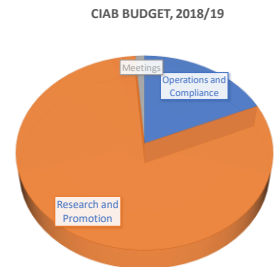
CIAB Update

- Budget
- Promotions, Health Benefits Research, Outreach
- Elections

At the September 2018 CIAB meeting, the Board approved the budget for the 2018/19 Crop Year

Breakout:
 18% Operations, Compliance
 80% Research and Promotion
 2% Meetings

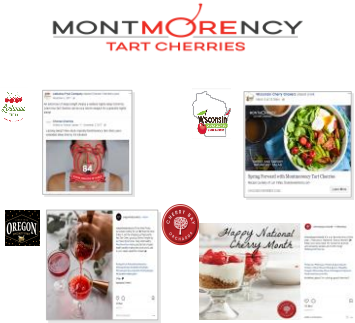
Total Assessments:
 \$2,034,750





Promotion and Health Benefits Research

- CIAB and CMI jointly fund promotions for tart cherries
- Have an energetic and aggressive promotion program and team
- New programming based on specific consumer segmentation research that targeted two populations that represent the biggest opportunity for sales growth



Consumer Segmentation Research- WINS

- In July 2018, CIAB funded a consumer segmentation study
- Results-
 - Identified target consumers of tart cherries
 - Ensures most efficient use of generic promotion funds for tart cherries
 - Already improved results of promotion program
 - More targeted outreach to ideal consumers
 - Focus of program now more on paid advertising versus PR

Research Methodology

Survey Type	20 Minute Online Survey
Field Dates	July 10 th to 15 th 2018
Target	<p>N=1,200 Consumers</p> <ul style="list-style-type: none"> o All primary/shared decision makers for grocery shopping in the household o Consume fruit juice, baked goods with fruit, dried fruit as a snack, or fruit juice concentrate o Non-Rejector of consuming cherries (in general)
Sample Design	<ul style="list-style-type: none"> o Adults 18-74 o 50% Females & 50% Males o Regionally representative
MoE	Margin of error at the 95% level of confidence is ± 2.7%

NEW RESEARCH STUDIES PROMOTE MONTMORENCY'S SUPERFRUIT BENEFITS

nutrition insight
Cherry is the antioxidant-rich food linked to a healthier heart

business
Report: Eating Red Foods Like Cherries May Prevent Heart Disease

European Journal of Sport Science

University of Exeter

HorThumbria University
MONTMORENCY

RED FOODS HIGH IN ANTHOCYANINS LINKED TO LOWER RISK OF CARDIOVASCULAR DISEASE

MONTMORENCY TART CHERRIES ACCELERATED EXERCISE RECOVERY IN FEMALE ATHLETES

LOOKING AHEAD: NEW GUT HEALTH STUDY SLATED TO BE RELEASED IN DECEMBER

Annually the CIAB funds approximately \$300,000 in health benefits research- have over 60 published studies on tart cherries and health

Industry developed a nutrition guide for marketers to present as part of sales pitches to retail and processing customers



Other promotion by CIAB staff



CIAB Elections Update

- Elections- Began January 8
- Holding "normal" elections for following seats

District		
1. Northern MI	Grower Member (<i>William Sherman</i>)	Grower Alternate (<i>Cheryl Kroupa</i>)
	Handler Member (<i>Don Gregory</i>)	Handler Alternate (<i>Stephanie Caggan</i>)
2. Central MI	Grower Member (<i>David Hackert</i>)	Grower Alternate (<i>Ray Hackert</i>)
	Grower Member (<i>Vince Miskosky</i>)*	Grower Alternate (<i>Rich DeRuiter</i>)*
3. Southern MI		Grower and Handler Alternate
4. New York	At Large Member (<i>Tom Facer</i>)	At Large Alternate (<i>Zach DeBadts nominated</i>)
8. Washington	Handler Member (<i>Bryce Dorsing</i>)	Handler Alternate (<i>Kevin Dorsing</i>)
9. Wisconsin	Handler Member (<i>Dan Krowas</i>)	Handler Alternate (<i>Curtis Wiltse</i>)

*This year the district 2 seat flips to two growers and 1 handler seat.



THANK YOU!

- Growers and handlers
- Past and current Executive Committee
- Current and past CIAB Chairmen,
 - Ray Rowley
 - Don Gregory
 - Tom Facer

