

MONTMORENCY

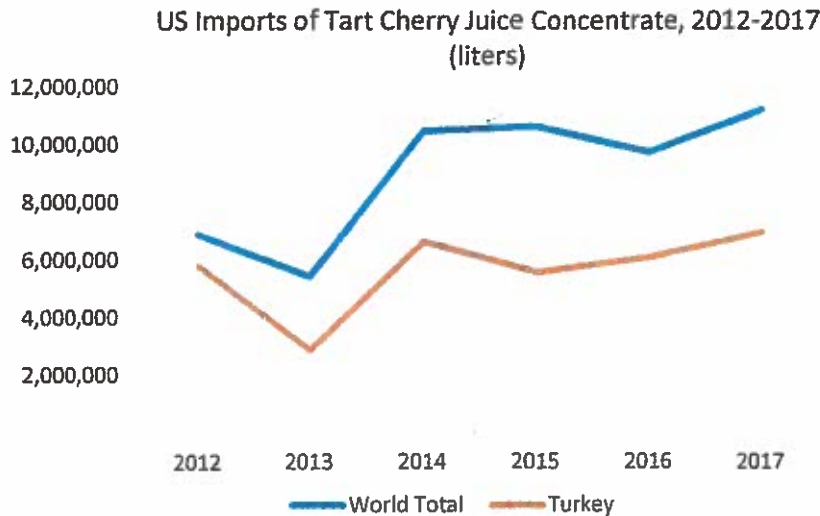
U.S. TART CHERRIES™

MICHIGAN TART CHERRY TRADE ISSUES

Tart cherries are an iconic fruit in Michigan. Cherry growers, their farms and the products they produce are the basis of one of the largest and most successful festivals, the National Cherry Festival held annually in Traverse City.

The tart cherry industry contributes over \$108 million to Michigan's economy each year.¹ In 2018, Michigan tart cherry growers produced 200 million lbs of tart cherries. The farm gate value of all tart cherries sold in Michigan is about \$75 million. Michigan's tart cherry processors employ over 10,000 residents directly with substantial additional employment from allied and support industries in sectors which include trucking, refrigerated storage, safety and inspection, and chemical manufacturing and supplies.

Unfortunately, the U.S. tart cherry industry has been negatively impacted by U.S. trade policies and tariffs on imports of food products. Our industry produces a variety of products, but growth in the tart cherry juice concentrate segment has been most hindered by tariff policy. Our industry has spent over \$14 million grower and handler dollars to promote new forms of tart cherry products, including juice concentrate, since 2006. Over the same time imports of tart cherry juice concentrate have increased 10 fold, and since 2013 imports of concentrate from Turkey have comprised over 50% of the total value and quantity of imports.



¹ "The Economic Impact of the Michigan Food Processing Industries", Knudson, W., Miller, S. and Peterson, H.C. MSU Product Center Working Paper, 01-0910.

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The Michigan and U.S. tart cherry industry have been actively trying to make trade policy fair for its' growers and processors. Industry representatives from the Cherry Marketing Institute, the group that represents growers across Michigan and the U.S. have met with:

- Wilbur Ross, Secretary of Commerce,
- the U.S. Trade Representative,
- have provided testimony to the International Trade Commission regarding GSP status for tart cherry juice concentrate from Turkey,
- and have met multiple U.S. Representatives and Senators from tart cherry producing states.

The industry is actively pursuing all avenues to equalize trade policies since tart cherry juice products from Turkey enter the U.S. duty free and below the cost of production. Unfortunately, the trade policy development and negotiation process is not one that is easily navigated by a small industry with few resources. Our industry could disappear from the U.S. in the next ten years without trade relief.