



National Cherry Growers & INDUSTRIES FOUNDATION

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March 19, 2009
For Immediate Release

Leading Maraschino Cherry Processors Protest Mexican Tariffs 20% Tariff Could Destroy #1 Export Market

The humble maraschino cherry took a hit today. Mexico, in retaliation against a U.S. decision to block Mexican trucks from traveling north of a commercial zone along the border, slapped punitive tariffs on 90 products, and buried on that list is a uniquely American product, the maraschino cherry.

U.S. maraschino cherry processors and growers are outraged by this action. Mexico is by far the largest export market for U.S. maraschino cherries. Over the last five years, exports to Mexico have averaged 3 million pounds annually and 25% of all U.S. export volume.

The ripple effect could be felt throughout the supply chain. Domestic demand is already falling due to the current recession, and a 20% tariff could very well price U.S. product out of the Mexican market. U.S. maraschino processors purchase about 100,000,000 pounds of cherries annually from U.S. cherry growers. The three largest processors – Gray & Company, Oregon Cherry Growers and Diana Fruit – account for the bulk of the demand. Growers in the leading cherry production states of Oregon, California, Michigan, Washington and Utah rely on these processors to buy their fruit.

History could repeat itself, but not for the benefit of American cherry industry. The origins of the maraschino cherry date back a few centuries to fruit cultivated in the Mediterranean regions and preserved in liquor, but today's maraschino cherry is a result of American ingenuity and another trade spat – this one dating back to the Depression. At the time, Italian maraschinos were

preferred on the East Coast. But along came a tariff on European fruit, and concurrently a maraschino formulation utilizing Oregon Royal Ann cherries was perfected by Ernest Wiegand, a horticulturist at the Oregon Agricultural College (Oregon State's precursor). Flash forward to today, and the American maraschino cherry, based on Wiegand's original formula, dominates the global market. But new competition out of China and Chile are poised to take market share. A 20% tariff is just what those countries need to push U.S. maraschinos out of Mexico.

The National Cherry Growers and Industries Foundation (NCGIF) is a non-profit consortium of cherry growers and the three largest U.S. maraschino cherry processors. The foundation collects grower contributions from the states of Oregon, Washington, California, Michigan and Utah, as well as three processor members. The processors are Gray & Company of Forest Grove, Oregon and Hart, Michigan; Oregon Cherry Growers, based in Salem, Oregon; and Diana Fruit of Santa Clara, California. Each year, the NCGIF spends approximately \$350,000 on consumer marketing and trade promotions in support of maraschino cherry sales. To learn more, visit www.nationalcherries.com.