

Okanagan Kootenay

Cherry Growers Association

NOVEMBER 2006 Edition

The newsletter – and more - is now available on the OKCGA website www.bccherry.com

IN THIS ISSUE.....

Note from the President by Christine Dendy	Page 1
Cherries to Japan	Page 3
A Review of Cherry Research by Mike Beulah	Page 4
PST	Page 5
Communications from OKCGA	Page 6
2007 Membership Application	Page 7



Note from the President - Taking Stock: Is the Party Over?

The 2006 cherry season will not go down in history as a banner year, but it will certainly be remembered as a turning point. Although the harvest period was hit with a few hail storms and some high heat, all in all, it was not a bad year for weather, particularly for the Creston area, which has typically been plagued with excess rain in recent years. What killed this season was the market, and it imploded everywhere. The price, rather than stabilizing during Lapin season and gradually rising through the late season, actually went down. Canadian and export markets were chaotic, buyers were overwhelmed with product they couldn't move, and everyone paid for the fallout. Normally loyal Canadian buyers were perplexed and apologetic, but how could they turn down truckloads of "free" cherries arriving on consignment? So is this the end of "the cherries deal"? Or can we survive in the new era? This is a good time to assess the situation before another season is upon us.

Poor apple prices and relatively good cherry prices have resulted in massive orchard conversions and new plantings of cherries in Oregon, Washington and BC and we are now beginning to feel the consequences. The crop both in the US and BC was up perhaps 15% over last year, but last year was big too. And last year was a great year for demand and prices.

So what was the big difference? Has the world demand been tapped-out with just this much increase in volume? No. It is dangerous to over-simplify, but what transpired in 2006 was the effects of bad timing, poor quality, and desperate marketing of the results. Southern Washington harvest was late and missed the normally huge US market of the July 4th holiday weekend. Orders weren't filled, buyer confidence was damaged. Then both southern and northern Washington harvest both came on with a vengeance – increased production, later production, heat stress causing soft fruit, small sizes, short shelf life, and generally poor quality. US consumer demand fell off, the US market pipeline backed up, and excess inventories spilled over in all directions – Taiwan, Europe, and the least-cost least-risk diversion destination: Canada. Not all of BC's production was stellar either but, combined with the market glut of poor quality fruit, demand suffered and buyers called the shots. Stories this year of fruit claims being placed weeks after delivery tell a lot of the story: even if the fruit may have been fine when it arrived, the market didn't need it and didn't have to pay the price.

Production will continue to increase from recent new plantings and that production is getting later in the season. Even Oregon is now a player in the late season August market with major high elevation plantings. As growers, there is nothing we can do about the volume. Hopefully the mad rush to grow cherries will slow, as the sobering reality of high risk and variable returns sinks in. But next year's crop in the Pacific northwest will be even bigger, and even bigger the year after that. So what options do we, as BC producers, have to deal with the future?

- Return to Marketing Regulations? Not bloody likely. As Chair of the BC Tree Fruit Marketing Board in the early 1980s, I got to rescind the (then defunct) intra-provincial tree fruit marketing regulation, defend and lose an appeal to retain our export market regulation, and observe the demise of our once all-mighty one-desk selling system. My memory is still acute enough that I can't imagine cherry growers going in that direction again, even if it were politically feasible.

- Anti-dumping Trade Action? Yes, there is no doubt that the Canadian market was the recipient of Washington dumping, but the cost and practicalities and time involved for our little industry to launch a Trade Action seem formidable, particularly when the chances of winning, or effectual implementation of protection, do not look good, given recent rulings on anti-dumping actions in other commodities. This year saw very clear incidents of dumping, particularly with consignment selling of US product into Canada and into our traditionally lucrative off-shore markets. As a direct result, prices through August in our export and domestic Canadian markets were about 1/3 less than prices of equivalent grades and sizes in previous years. But persuading big Canadian produce buyers and grocery chains to kindly provide evidence incriminating themselves and some of their biggest suppliers for consignment selling is a bit of a non-starter. Besides, we are Canadian, so we look for nice ways of dealing with the situation (or avoiding the issue).

- Stop consignment selling? Consignment selling is actually illegal as it is recognized that it has a devastating effect on market prices, particularly for perishable commodities. CFIA and Canadian Border Services do not currently monitor or enforce regulations designed to prevent consignment selling. So one thing we can do is push for clean-up of consignment selling practices in the market. After-the-fact "price adjustments" and claims that are not related to arrival condition are pretty much the same thing as consignment selling, in effect. And once fruit is long gone and we are faced with collecting accounts receivable from a big buyer we hope to sell to again next year, we are not exactly negotiating from a position of strength. This problem is tough to address on an individual basis. But we can have some impact if we decide jointly to advocate and commit to "clean" marketing practices, and promote and utilize commercial dispute resolution processes such as Fruit and Vegetable Dispute Resolution Corporation offer.

- Grow more product cheaper, and sell more of it at lower prices? This may be the strategy in some places, but this is not a solution in my books. Our costs in BC are too high to compete profitably in the low-price/high-volume sector. We have climatic advantages with growing conditions that can produce premium quality cherries with premium sizes. We have small production units and high-cost specialized packing facilities. We can't be low cost producers, so should capitalize on our strengths – set high standards and aim to stay on the high end of the market. We are tiny, so we have to have high standards to stand out in the crowd. In the future maybe we won't be pocketing premium prices over everyone else, but we need to be the producers the buyers come back to. We need to be the ones that get the sales, and don't attract the claims.

With such a perishable commodity, it doesn't take much to kill the market in desperation to sell. And the problem starts with our decisions to pick product that is not fit to go to market. Everything we do to a cherry after it is picked conspires to reduce its value and add to its cost. Picking and packing is a process of adding costs to a cherry while bruising it in buckets and bumping it over packing equipment, squeezing and pushing it with hands, wetting, cooling, and boxing it, and hoping it will be firm, shiny and have lovely green stems by the time it gets to the market. And every player down the chain will do what they can to recoup their costs (and profit) back out of it before the grower gets his return. Once cherries are in packed inventory, the pressure to sell them (at risk of claims) often outweighs the better judgment of whether the product is fit to transport, store, wholesale, deliver, store some more, sit on a warm retail shelf, and still attract the consumer to buy it, like it, and come back for more. The mindset is not "*What impact this is going to have on the universal cherry market this season?*" but "*What can I get for this box of cherries today rather than possibly dump it for a net loss next week?*".

With the levels of claims and quality issues we have seen this year, hopefully growers will not sit back, but will become more active in packing standards and marketing and decisions about our fruit. And by that, I don't mean expecting the marketer to sell it because we grew it, but taking a long hard look at the condition of the fruit, and making sure it is quality product that is fit to go to market. And it all goes back to what we do in the orchard.

There are two “survivor” lessons from 2006: The market wants big fruit, firm fruit, ripe and flavor-full fruit, and beautiful green stems (attached!). All four. So the first lesson is to grow it that way – a no-brainer, but easier said than done. The second lesson is, if the fruit quality is poor and not good condition for the market, we should not pick it in the first place. As growers, we need to make decisions to selectively harvest good fruit and leave weak fruit on the tree unless we have a wonderful process buyer that pays lots for our culls. Cut the losses and walk away from it before it costs any more – and further screws up the market.

The first lesson is something we can actually do something about: learning to grow **BIGGER firmer** fruit with **healthy green stems**. I guess I have been around cherries (in one way or another) for over fifty years and the one thing I know for sure is that I have a lot more to learn. Cherries are not a big commodity, and there aren't many of us producing them in Canada. Knowledge is scarce, government extension services are a thing of the past, our local schools and universities offer no horticultural programs for tree fruit growing, and private consultants are few and far between. We are left to our own resources. But we do have an outstanding research and cherry breeding facility at PARC in Summerland, and other research resources we can tap. And through our membership and contributions to the Okanagan Kootenay Cherry Growers Association we are able to pool our resources, access partnering research funds, and sponsor research on top priorities for the industry.

With only \$36,000 of 2005 grower levies, funding was generated to undertake several research projects in 2006, including GA efficacy, cherry disease management, post harvest treatments and water quality in cherry packing, fungicide use and efficacy, pest management practices and efficacy; pre-storage treatments; starling control, and fruit quality effects of tree stresses from spray application, nutrients, irrigation, location, and climate. Research and other programs and presentations by the OKCGA help us all. The better we can go fruit, the better off we all will be. As we saw in 2005, the market can take lots of cherries, as long as they are high quality. Making our annual contributions to the OKCGA research levy is a progressive and constructive way to improve the whole industry as well as our own businesses, and I urge everyone to renew your membership and send your contributions in now, before the year end. Research budget and decisions must be made early 2007, so it is important to get our contributions in soon so the budget can be set.

The results of this year's research will be reviewed at the annual Research Review meetings of the OKCGA to be held on February 5th at PARC in Summerland. Although the meeting is a meeting of the OKCGA directors to receive presentations of current research and decide on funding for proposals for 2007 research, the meeting is open to OKCGA members who have contributed research levies. A reception and special workshop with a guest speaker will be held that evening. **The Annual General Meeting will be held the following day, February 6th, and is open to all members.** It will include a guest speaker and several presentations and panel discussions on important issues. A final agenda will be posted on the website and circulated to members in January.



Japanese Market Still a Long Way Away

Talk about the “slow boat to China” - the one going to Japan shows no signs of ever leaving the dock! Japan represents a big potential cherry market that, despite many efforts in the 1970s, has been closed to Canadian cherries due to codling moth, unless fruit is fumigated with methyl bromide (banned in Canada except for critical uses). It is now two years since we first learned New Zealand and the US were negotiating protocols with the Japanese to ship cherries without fumigation. Our first approach to the Canadian Trade Commission in Japan was almost two years ago. It seemed, with SIR and the extensive individual orchard history that could be provided, that we could make a case to demonstrate meeting the risk thresholds by the very low levels of codling moth in Okanagan orchards from an area-wide control program. However, by late summer of 2006 it seems we have established only that the Japanese have not accepted whatever was presented to them and we are no further ahead. Every four or five months we make enquiries to Agriculture Canada and the Trade Commission, there is a flurry of emails, and the trail goes dead. In our meeting with M.P. David Anderson (Parliamentary Secretary to the Minister of Agriculture) in May, we brought this issue forward, but it seems the cherry industry is a very minor player in agricultural trade priorities. It is

therefore doubly frustrating to receive glossy CanadaExport brochures from International Trade Canada that urge us to take advantage of their services to help us access the demanding Japanese market that values high quality and food safety (all things we also value with our major producers being EurepGap certified). So, sorry folks, but if we aren't making any progress on gaining equal access to the Japanese market, it isn't for lack of trying.



A Review of Cherry Research

By Michael Beulah

If you are like me, you may have been wondering about June drop last June. I thought I sprayed all the right nutrients during bloom and the bees were flying, the weather wasn't too hot or cold. So why the relatively high June drop? For me it could be the -2.3 C experienced in Summerland on April 17th, 2006 and up in Kelowna area on April 18th the temperature dipped to -6.3 C at the airport (a cold area). In the following paper they found that cherries can be quite sensitive to frost.

Variability in the relationship between frost Temperature and Injury level for some cultivated Prunus Species. By Carlos Miranda et al.

HortScience 40(2): 357-361, 2005

This work was done on Burlat and Sunburst Cherries in Spain. Results of these cherries were compared to peaches, almond, and plum varieties also tested. They studied different bud development stages (from first swell to bloom in cherry) which they collected from the field at the proper stage and subjected the samples to 7 frost treatments in a cold unit chamber. Air temperature was maintained at 7C for 45 min then decreased by 2C until the frost temp was reached. This was held for 30 minutes then temp was increased by 3C to 7 C again. Samples were stored 24 to 48 hours at 17C then flowers or buds were the examined for damage. Any browning of tissue constituted damage.

The cherries were found to be the most tender of the fruits tested at all stages. The cherries had a less steep relationship slope meaning that as the temperature decreased cherries were more sensitive and more damage occurred quickly.

For the cherries studied at first bud swell, the lethal Temperature (LT) for 10% kill was found to average -6.4C and LT for 90% kill was -8.1C. At bloom the LT for 10% loss was -1.2C and for 90 % loss was -4.4C. However there was lots of variability. The 95% confidence level for 10% loss at bloom ranged from -0.3 to -2.0C and the 95% confidence level for 90% loss at bloom ranged from -2.3 to -6.4C. Consequently, when critical temperatures are used in making decisions as to when to begin frost protection, a prudent measure would be to take the temperature references from the upper limits in the confidence intervals.

For more information on GA refer to the following paper:

Gibberellic Acid inhibits floral bud induction and improves 'Bing' sweet Cherry fruit quality

O.M. Lenahan, M. D. Whiting and D.C. Elfving

HortScience 41(3): 654-659, 2006

In this paper they describe 30 ppm GA3 applied at the beginning of stage III of fruit development as the standard application by cherry growers to improve fruit quality and delay maturity. They are testing different concentrations of GA3 and Ga 4+7 to reduce floral bud development and improve fruit quality in the year following treatment. In 2003 Bing on Gisela 1 was treated with GA3 at 30, 50 and 100 ppm at end of stage 1 (13mm fruit diameter) or at end of stage 2 (18 mm fruit size). Another treatment included 50 ppm at end of stage 1 and 2. In the year of application all GA3 treatments delayed maturity and increased fruit firmness. The two higher concentrations increased fruit firmness by 40%. However there was no weight increase measured. In 2004 the bloom density decreased with increased GA3; for the 30, 50 and 100 ppm the bloom density was reduced by 5%, 27% and 38% respectively. Non spur flowers at the base of 1 year old shoots were also reduced by 45%, 47% and 87%. The double application of 50 ppm and all 100 ppm treatments reduced yield by 55% and 60% and therefore resulted in better fruit quality(bigger, firmer and sweeter). However in this trial the

control tree only had 0.3% small fruit. So with the higher yield of good quality moderate sized fruit the control trees had the best crop value.

In a second trial in 2004, 100 and 200 ppm GA3 or GA4+7 were applied at the end of stage 1 or the end of stage 2. At 100 ppm this resulted in a 65% and 66% reduction in return bloom for GA3 and GA4+7 respectively. At 200 ppm GA3 reduced return bloom by 93% whereas GA4+7 only reduced it by 68%. Again fruit quality was improved but the yield was so poor that the control trees had much better crop value.

Firmness, Respiration and Weight Loss of 'Bing', 'Lapins' and Sweetheart' Cherries in relation to Fruit Maturity and Susceptibility to Surface Pitting.

P.Toivonen, F Kappel, S. Stan, DL. MacKenzie and R. Hocking
HortScience 39(5): 1066-1069. 2004

Surface pitting is a serious post-harvest quality problem in sweet cherries that results from bruising during the picking and packing process. The pitting symptom shows up days or weeks after the bruising. Some varieties are more sensitive than others. The results in this paper show that Bing was more sensitive than Lapins or Sweetheart. All three varieties showed a decline in sensitivity as they matured.

Pitting was induced by dropping a 10 gram rod of 2.5 mm diameter 60 mm onto the surface of the fruit after the fruit equilibrated at 4C for 4 hours. Pitting severity was assessed after 2 weeks stored at 1C by visual assessment where 1=no pitting and 4= severe pitting. Also impressions of the pits were taken and measured. Fruit water loss was also measured over the two week time period as was the respiration rate.

Results showed that visual assessment gave a good representation of the pit diameters. Bing showed the greatest water loss during storage and this may contribute to pit development. Lapins showed the greatest loss of firmness as maturity increased. An equation using respiration rate, fruit firmness and fruit water loss was developed that was predictive of the fruit pitting susceptibility

Evaluation of the use of high CO2 concentrations and cold storage to control Monilinia Fructicola on sweet cherries

Shiping Tian, Qing Fan, Yong Xu et al.
Postharvest Biology and Technology 22(2001) 53-60

The growth of the brown rot fungus was controlled at 30% CO2 at 25C. Fungal growth was completely suppressed in fruit inoculated by 10-30% CO2 after 30 days at 0C. They also found that no high CO2 injury or off flavours developed after 18 days at 0C.

This work was done in China using sweet Cherry variety Hongdeng. Fruit was disinfected then wounded and inoculated with 20 ul of conidial suspension. Then stored in compartments with the appropriate atmosphere and RH was 90-95%. After 30 days at 0C the cabinets were changed to 25C to determine disease development in the fruit.



PST Review Committee (Working Group on Farm Exemptions)

The PST Working Group, consisting of BCAC representatives Steve Thomson, BCAC Exec. Director, Sandy Mathies, Christine Dendy, and Dayton Lau. and staff representatives from the Ministry of Finance and the Ministry of Provincial Revenue has held four meetings over the past year to review the current process for exemptions for Social Service Tax (PST) on farm input items.

The Group was charged with the task of resolving the archaic process and problems of an exemption list that has not kept pace with the times, and the growing situation of retailers refusing to deal with exemptions due to the time required to verify exempt status and the penalties and risk of errors found in audits. Pending industry review, the Working Group is putting forward recommendations for a complete revision of the PST process that will do away with exemptions at the point of purchase in favour of a GST-style rebate system. The trade-

off for the downside of making the farmers do the paperwork would be extensive expansion to rebate PST paid on almost all farm inputs.



Communications from OKCGA

OKCGA communications now make extensive use of the website and email to cut postage costs, so please make sure we have your current mailing address and email address by calling Susan at (250) 763-9790 or e-mail admin@bccherry.com. The website is periodically updated with a members' area to access recently posted research reports, alerts and information on horticulture, pesticide registrations, export issues, and other orchard matters. If members have not received an email with further information on how to use this feature, please contact Susan. Recent newsletters are now available on-line at www.bccherry.com and previous newsletters will be available soon.

A complete list of the OKCGA Directors and their contact information is available on the website. Please feel free to get in touch with us if you have concerns or ideas we need to think about. Please send contributions to the newsletter to Michael Beulah mpbeluah@telus.net. We are also looking for interesting cherry and orchard photographs to update the website. If you have something, please send it to christine@dendy.ca.

**PLEASE TAKE A FEW MINUTES TO FILL OUT THE ATTACHED
MEMBERSHIP FORM AND SEND IT IN TODAY.**

Your Directors work hard (on a volunteer basis) to get pertinent research done and to help with other orchard issues like labour, SAWP, PST, Pesticide Registration, Starling Control, Trade Issues, and maintaining a website that includes your orchard listing to help prospective workers find your jobs.

The OKCGA is your organization. Please show your support through your membership, and your research contribution.

THANK YOU – EVERY PENNY COUNTS!

**OKANAGAN KOOTENAY CHERRY GROWERS' ASSOCIATION
MEMBERSHIP APPLICATION**

NAME		COMPANY/ORCHARD	
ADDRESS			
CITY		PROV	POSTAL CODE
PHONE	FAX	EMAIL	

MEMBERSHIP CATEGORY (Please check all that apply)

Grower Marketer Supplier Consultant Government Other

ACRES IN CHERRY PRODUCTION: _____ NON-BEARING CHERRY ACRES: _____

Please attach cheque payable to **OKCGA, #102 - 1482 Springfield Rd., Kelowna, B.C. V1Y 5V3** for:

2007 MEMBERSHIP FEES _____ @ \$50.

2006 CROP LEVY: total pounds packed @ 1 cent/pound

Total

\$

On receipt of your application and membership fee, a password will be emailed to you that will enable you to access the Members' Area on our website - with full research reports and other material that will be posted from time to time. Newsletters and research reports are now presented online at www.bccherry.com and are NOT mailed unless you specify that a mailed copy is required.

Notices will be emailed to you, so please be sure we have your current email address.

If you have questions about your membership status, PIN, or email, please contact Susan at admin@bccherry.com or Tel: (250) 763-9790, Fax: (250) 762-2997.

WEBSITE LISTING on www.bccherry.com

Membership entitles you to list your orchard on bccherry.com for seasonal job applicants. If you wish to have your orchard listed, please complete the following: Yes, please list us.

1. Contact information IF different from the information above:

NAME		COMPANY/ORCHARD	
ADDRESS			
CITY		PROV	POSTAL CODE
PHONE	FAX	EMAIL	

2. Website address if you have a website: _____

3. Approximate picking season dates: _____

4. (Optional) brief three line description of your orchard, the work, facilities for employees etc.:

5. Certification to be noted: EurepGap Certified Organic _____