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## FERERAL MARKETING ORDER HEARING

April 20, 2011

I'm Rich DeRuiter, president of DeRuiter Farms Inc., which is located in Hart, Michigan, and district 2 of the federal marketing order. DeRuiter Farms Inc. is considered a large producer and a small handler by the definition of the USDA. I have served as a board member or an alternate for the board since 1997, and am currently on the board serving as secretary.

I am here to testify in favor of the proposed amendment to make "in-orchard diversion credits" a bottom line credit.

Currently, the way the optimum supply formula works, the higher the restricted percentage gets, the less incentive there is for handlers to accept the credits. Therefore, when there is a very large crop, as in 2009, coupled with a large restricted percentage, (62%), excess cherries were packed rather than diverted on the ground. The proposed amendment will put diverted fruit at the same value as other credits that the order allows. One pound of cherries on the ground equals a one pound bottom line credit.

DeRuiter Farms Inc. has participated in every form of dealing with the restricted fruit through the years. We have had export credits, new product credits, new market credits, and have diverted product at our plant and in our orchards. We have only diverted fruit in the orchard because of economic reasons, either the age of the tree was too young to put a mechanical harvester on them, or the crop size of that particular block was below the cost threshold of harvesting it. With the proposed change to a bottom line credit, we would more likely to divert fruit rather than speculate on fruit that has little or no chance of selling in the future.

I believe the proposed amendment is grower friendly, because excess cherries that can't be sold in the export, new product, and market expansion areas, won't have to set in a storage accumulating storage bills, and lowering grower returns.

I would like to thank the USDA for fast tracking this hearing, and I hope they will expedite the rest of the process so this amendment will be in place by the 2012 crop season.

Thank You

Rich DeRuiter