



May 13, 2016

Elanor Starmer, Administrator
 USDA AMS
 1400 Independence Avenue SW, Room 3071-S
 Washington, DC 20250-0201

Dear Ms. Starmer,

On May 27, 2015, the Hazelnut Marketing Board (HMB) met to discuss their recommendation to amend Federal marketing order No. 982 (order) which regulates the handling of hazelnuts grown in Oregon and Washington. The HMB, which locally administers the order, voted unanimously to support a single order amendment proposal. If effectuated, the amendment would authorize the HMB to implement quality control regulations intended to reduce the prevalence of pathogens in hazelnuts.

Promulgated in 1949 under the Agricultural Marketing Agreement Act of 1937 (AMAA), the order regulates hazelnuts grown in Oregon and Washington. With the exception of a very small amount of product sold on-farm or in farmer's markets, the order covers 99% of the hazelnuts produced in Oregon and Washington.

The order authorizes grade and size regulation, research, promotion, and market development programs, and the control of distribution. First, under that authority, the order has established minimum grade and size requirements for product handled in the production area. All hazelnuts from the production area entering the channels of trade must be inspected and meet or exceed the minimum requirements set by the HMB. In addition, under Sec. 8e of the AMAA, all imported hazelnuts must meet the same requirements to be allowed to enter the U.S. Second, reporting requirements established under the order are the source of statistics that are vital to the hazelnut industry to promote orderly marketing. Third, the order provides funding for the advancement of hazelnuts through production research, consumer education, and promotion programs. Lastly, the order authorizes implementation of volume control measures when the HMB determines it is in the best interest of the industry. The HMB is currently utilizing all of the authorities under the order except volume control. Volume control was suspended in 2008 and the HMB does not anticipate recommending regulation under that authority anytime in the future.

Discussions regarding a possible amendment to the order to authorize quality control regulation began early last year within the hazelnut industry's Food Safety Steering Committee (FSSC.) While not a subcommittee of the Board, the FSSC meets to suggest and review research, recommend practices

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within the industry, and provide food safety guidance across all facets of the hazelnut industry from producer to end user. The FSSC developed a Position Statement recommending that all inshell hazelnuts shipped to North America, and all shelled hazelnuts not destined for further processing, be subjected to a treatment process to reduce pathogen load. At its meeting on April 22, 2015, the FSSC recommended to the HMB Order Amendment Committee that it consider changes to the order to authorize the establishment of quality control regulation with the intent to reduce the pathogen load in hazelnuts.

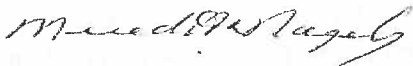
On April 29, 2015, the Order Amendment Committee met to consider the recommendation from the FSSC. Following discussion of the ramifications of such an amendment, the committee developed an amendment for the HMB's consideration. A detailed justification of the proposed amendment is included here within.

The HMB believes there is broad support within the hazelnut industry for the recommended amendment. The amendment has been presented and discussed by the Oregon Hazelnut Commission which represents all growers, and was sent to all handlers for consideration. Handlers diligent in their food safety protocols have concerns over the possibility of untreated hazelnuts making it to markets, potentially causing illnesses and/or triggering a costly recall. In addition to those risks of tangible physical and financial risk, there is concern over the probable loss of confidence and market share following any negative publicity.

The HMB believes this proposed amendment is in the industry's best interest to ensure that only safe, high quality hazelnuts are available to the eager and growing market for U.S. produced hazelnuts. The HMB respectfully requests that USDA proceed as quickly as possible to hold a public hearing on the merits of the proposed amendment. The HMB recommends the hearing be held in late August of 2016 which is just prior to the busy fall harvest season. If the amendment is approved by growers, policies could be developed and procedures put in place before the start of the 2017-18 season.

We appreciate your prompt consideration. We are at your service should you have any questions or need any further information.

Sincerely,



Meredith Nagely
Administrator
Hazelnut Marketing Board