



TESTIMONY OF

EDUARDO MEDINA

Pecan Federal Marketing Order Hearing

Docket No. AMS-FV-15-0023; FV15-986-1

Western Region – Las Cruces, New Mexico - July 20 and 21, 2015

My name is Eduardo Medina. It's spelled E-D-U-A-R-D-O M-E-D-I-N-A. I live in Dallas, Texas. I am the Chief Executive Officer of Pecan Grove Farms and Nursery. Pecan Grove Farms and Nursery is located in Cedar Creek, Texas. We have two pecan farms located in Central and West Texas. On our farm we grow improved varieties of pecans. I have attached a copy of my resume.

Under the Small Business Administration guidelines, we are considered a large pecan grower farm.

There are four benefits I would like to see as a result of the proposed federal marketing order for pecans.

- 1) Increase detail and reliability of industry data. The lack of accurate market information on the anticipated size of the pecan crop in any given year also makes it difficult for us to negotiate a fair price for our crop and to make reasonable business decisions about investments in our farms. More accurate market information would greatly benefit our farm operation.

- 2) Increase consumer focused pecan research. Our universities provide great agricultural and technical research today, but we need more research focused on health benefits of pecans and research related to marketing to our customers.
- 3) Industry (non-branded) pecan promotion and marketing. We need good marketing to address and win in the domestic U.S. market, the largest consumer market in the world.
- 4) The final benefit I would like to see is what I call “risk management.” A unified voice for the entire industry to help us face challenges together, such as a potential product recall. This unified industry representation, coupled with possible future handling improvements related to quality, packaging, size, grade, etc. will be very important in the future growth of the industry.

I have reviewed the economic analysis summary prepared by Dr. Marco Palma, specifically, it is very encouraging to review that using promotion investment of 2.5¢ per in shell pound that the increase of the value of the crop had an average 6.3¢ positive impact per in shell pound. Overall, I am aware of the costs that a federal marketing order may impose on our farms and I do not believe those costs are unduly burdensome. I believe that the benefits of the federal marketing order to our farms will greatly outweigh any costs associated with it.

I understand that under the proposed order, only growers with more than thirty acres of pecans or more than 50,000 pounds of average production per year over the last four years will be allowed to vote on the proposed order. In my opinion, this threshold is reasonable because a grower that does not meet this threshold is not a commercial grower. Any grower that is smaller than the proposed threshold could not justify the cost inherent in such a small production and is most probably merely a seller of pecans from older trees that happen to be on his or her property, a hobby farmer or one that does not plan to put all commercial inputs (fertilizer, water, etc.) on his farm.

I have been a member of the Texas Pecan Board for the past two years. The American Pecan Board has kept our organization informed about its efforts to propose a Federal Marketing Order. Pecan Grove Farms and Nursery hosted the first meeting of the American Pecan Board and we have met with the Board four times. I feel like I have been informed about the process and I have been given an opportunity to participate in this process.

It is my expectation that the funds will be used efficiently (with a high percentage of the money making it to industry uses rather than salaries) and effectively (with experts – not only growers or shellers – involved in the deployment of the funds). In conclusion, I fully support the proposed federal

marketing order for pecans and encourage the Secretary to implement the order as proposed by the American Pecan Board.

I would be glad to answer any questions anyone may have.

EDUARDO MEDINA

EDUCATION

- 2005 - 2007 **TUCK SCHOOL OF BUSINESS AT DARTMOUTH** Hanover, NH
Master of Business Administration, June 2007
Tuck Merit Scholarship, Elected Judicial Board Member, and Member of the Private Equity Club
- 1995 - 2000 **IBEROAMERICANA UNIVERSITY** Mexico City, Mexico
Bachelor of Science in civil engineering, *Summa Cum Laude*, April 2000
American Concrete Institute-Schwing Fellowship for best civil engineering student in Mexico, Jan 1999
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EXPERIENCE

- 2012 to Date **Pecan Grove Farms (1,700 acres in Pecan Production as of June 30, 2015)** Dallas, TX
Pecan Agribusiness
Chief Executive Officer
 - Identified the business opportunity, source deals, and build relationships within the industry
 - Due Dilligence, contract negotiation, and legal documents to create the fund
 - Negotiate with investors, and lenders to create and raise funds to support an efficient capital structure
 - Operating Business – build relationships, set up budgets, yearly planning, overview and manage main account sales, operate
- 2007-To 2014 **CLARION PARTNERS (\$34B AUM as of Dec 31, 2014)** Dallas, TX
Private equity group focused on Real Estate.
Asset Manager for the Lion Mexican Fund (\$300M AUM as of Dec 31, 2014)
 - Reviewed new business opportunities to invest in the RE Mexican market for different property types
 - Analyzed, underwrote, and presented to IC new investment opportunities for over \$1B
 - Asset Manager for six different property type projects: four ground developments, grocery anchored retail developments, a mix-use resort development, and residential developments with a total asset value of over \$300M
 - Led value added across-property management initiatives: sustainability, cost-reduction, project management, insurance, litigation, and restructure
- 2003 - 2005 **CENTRO ELEIA** Mexico City, Mexico
Leading private university focused on undergraduate, graduate and PHD programs in Psychology
Chief Executive Officer
 - Altered pricing and repositioned the company resulting in 100% revenue growth over 2 years
 - Developed and implemented opening a second campus in 2004 with a \$250k investment. Find the site, negotiated the lease, and reduced the development lead time from 18 months to 9 months, resulting in break even investment after 5 months of operations
- 2000 - 2003 **THE BOSTON CONSULTING GROUP** Mexico City & Monterrey, Mexico- New York City
Worldwide Management Consulting Firm
Senior Associate
 - Developed a retail financial / leverage benchmark that resulted in a net savings of \$10M over 5 years
 - Performed a cost reduction logistics project for a Mexican juice company, resulting in savings of \$75M
 - Implemented new direct-store-distribution model for new market segments, increasing sales by \$10M
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PERSONAL

- “Business Mentor” at “Endeavour Mexico” (non-for-profit) to support Mexican entrepreneurs
- ULI and ICSC Member since 2007
- Winner of several photo competitions in Mexico, Australia and USA
- President of Mexican-Australian Alumni Association 1999-2004
- Enjoy reading historic novels, travel, and triathlon and snow skiing

