

**TESTIMONY OF**

**THOMAS L. MASON**

**Pecan Federal Marketing Order Hearing**

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

**Eastern Region – Tifton, Georgia - July 27, 28 and 29, 2015**

My name is Thomas Mason. It is spelled T-H-O-M-A-S M-A-S-O-N. I live in Kathleen, Georgia. My family and I farm 2,600 acres of improved pecans in middle Georgia. I was in the construction business for over 30 years, but I have been in the pecan business since the late 1990s and became a full-time pecan grower business on July 4, 2007.

We would be classified as a large pecan grower under the Small Business Administration definition (more than \$750,000 in gross pecan revenues).

I have read the proposed Federal Marketing Order for pecans as published in the Federal Register and I agree with the goals and direction of the proposed American Pecan Council. We need a ship and need to set sail, it will be up to us as a pecan industry where we go from here.

In Georgia, we assess 1¢ a pound on all inshell pecans grown by farmers with more than 30 acres. This assessment was voted on by Georgia growers and is collected by the Georgia Department of Agriculture and the amounts collected are used as determined by Georgia Commodity Commission for Pecans. I am

currently Chairman of the Georgia Commodity Commission for Pecans and have served on the Commission since 2009. Our focus is research, promotion and development. We have historically collected between \$400,000 and \$700,000 per year and we use the money to support organizations that try to sell pecans internationally and domestically. The bulk of our budget recently has been spent on trying to get pecans tested for use as ingredients or other processed products. Examples of this are pecan butter (like peanut butter), pecan milk (like soy or almond milk), candy bars or cereals, etc. It takes years for manufactures to commit to using pecans as part of an ingredients recipe or as the base for a stand-alone project. Of course, besides the recipe and consumer acceptance factors, pecan prices and pecan supplies are also issues for food groups. But overall our budget is just too small to solve our problems.

The proposed American Pecan Council would have some authorities that are similar or the same to those of the Georgia Commodity Commission to pecans. I do not view this as a conflict for several reasons. First, from my vantage point, I absolutely welcome the new revenue for promotion from the American Pecan Council. We really do not have enough from the Georgia Commodity Commission for Pecans to make a significant marketing impression on domestic consumers, but the money from the American Pecan Council might. Second, when the American Pecan Council is in place, what I would like to see is the Georgia Commodity

Commission for Pecans redirect its efforts and funds towards more Georgia specific research. Finally, it will be up to the Georgia growers whether they want to continue the 1C assessment after the American Pecan Council is in place. I say let the Georgia growers decide what they want to do. But overall, and I say this as Chairman of the Commission, it is more important to get the American Pecan Council up and running and focused on pecan promotion.

In recent years, I have seen wide variation in the prices we have received from our pecan crop. Such wide variation in pricing makes it extremely difficult to plan for the future operation of our farms. While prices for pecans go up and down dramatically from year to year, our cost of production has steadily increased.

Further, the lack of accurate market information on the anticipated size of the pecan crop in any given year also makes it difficult for me to negotiate a fair price for our crop and to make reasonable business decisions about investments in our farms. Increased price stability and more accurate market information would greatly benefit our farms.

I think our farms and the industry would also benefit in the future from grade, size, quality, packaging, shipping protocols, and other handling requirements as we compete with other tree nuts for consumer attention.

I also 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. I am not aware of a single pecan farmer in my area who has a commercial farm that is smaller than thirty acres or produces less than 50,000 average pounds per year. As I testified earlier, we use 30 acres in Georgia as the dividing line between hobby and yard farmers and commercial pecan growers, so I am comfortable with these metrics.

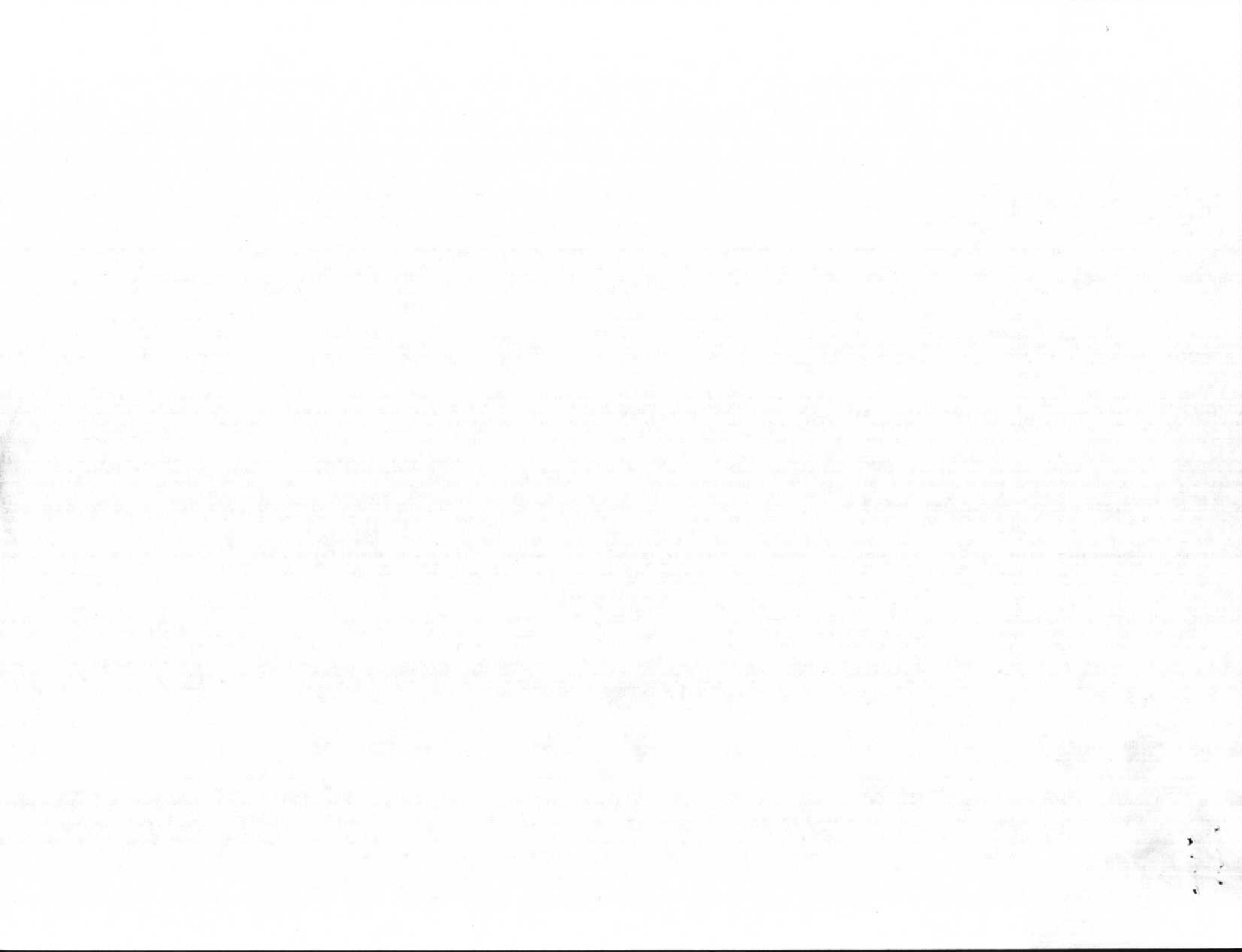
I have reviewed the economic analysis summary prepared by Dr. Marco Palma, specifically, the projected average price increase from promotion of 6.3¢ per in-shell pound versus the average 2.5¢ per in-shell pound cost. I agree that promotion will increase prices. Overall, I am aware of the costs that a federal marketing order may impose on my farm and I do not believe those costs are unduly burdensome. Further, I believe that the benefits of the federal marketing order to my farm will greatly outweigh any costs associated with it.

The American Pecan Board has kept our organization informed about its efforts to propose a federal marketing order. Representatives of the American Pecan Board regularly attend our growers meetings to listen to us and to answer

our questions. I also know personally several members of the Board of the American Pecan Board.

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.





## Georgia Agricultural Commodity Commission for Pecan

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June 17, 2015

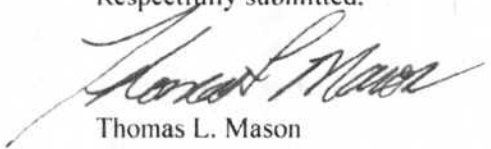
The Honorable Tom Vilsack  
Secretary of Agriculture  
1400 Independence Avenue, S.W.  
Room 200-A  
Washington, D.C. 20250

Dear Secretary Vilsack:

The Georgia Agriculture Commodity Commission for Pecan is writing you in support of the Federal Marketing Order for Pecans currently being promulgated by the American Pecan Board. Our industry has and continues to face issues of price and supply instability in the market. This situation inhibits our effort to provide a consistent quality supply of pecans to domestic consumers at a price that supports a profitable return to producers and processors. We believe that a Federal Marketing Order will contribute to a more stable market environment that is favorable to growers, buyers, shellers, and consumers.

The Georgia Agriculture Commodity Commission for Pecan goes on record in favor of the Order and greatly appreciates your support.

Respectfully submitted,



Thomas L. Mason  
Chairman

Cc: The Honorable Edward M. Avalos  
Office of the Under Secretary  
Marketing and Regulatory Programs  
U.S. Department of Agriculture  
Jamie L. Whitten Federal Building  
1400 Independence Avenue, S.W., Room 228-W  
Washington, D.C. 20250

The Honorable Anne L. Alonzo  
Administrator  
Agricultural Marketing Service  
U.S. Department of Agriculture  
South Agriculture Building  
1400 Independence Avenue, S.W., Room 3069  
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