

**TESTIMONY OF**

**JERRY DOWDY**

**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 Jerry Dowdy. It is spelled J-E-R-R-Y D-O-W-D-Y. I am the President of Atwell Pecan Company, a pecan shelling facility located in Wrens, Georgia – about 30 miles south of Augusta, Georgia. The Atwell Pecan Company started in 1935 as US Highway One began to be the main North-South route for travel along the eastern seaboard. At that time, there was an opportunity to sell pecans to the traveling public on a small scale. Eventually, the Atwell business model shifted to focus on fundraising – selling pecan kernels to churches and other groups for resale.

Family ties brought me into the pecan business. After graduating from the University of Georgia with a degree in forest resources, I found job prospects were limited in the forestry field. I went to work for Mascot Pecan Company, a small shelling operation, at that time, located in Glennville, GA. It was owned and operated by my wife’s late father, Hugh Oliver, and his brother-in-law Mills Tarver.

In 1971, Mr. Tarver, Mr. Oliver, and I purchased the Atwell Pecan Company and continued to focus primarily on the fundraising business selling to various clubs and organizations around the country.

In 1986, Mr. Oliver and my wife, Susan, bought a pecan growing operation in Washington County, Georgia, located between the community of Davisboro, Georgia and the town of Sandersville, Georgia. We operated this orchard until late 2011 when it was sold to the present owner.

Today, my wife Susan and I own Atwell Pecan Co., which is now a pecan shelling and candy production business only – handling approximately two million inshell pounds a year. The majority of these are high quality nuts of varieties such as Desirable or Pawnee. With annual gross revenue less than \$7,000,000, Atwell Pecan qualifies as a small business under the Small Business Administration guidelines.

I have reviewed the proposed federal marketing order and support its adoption. I have also reviewed the summary economic analysis prepared by Dr. Marco Palma. I am aware that the proposed order may impose some direct costs on my operation, such as the .01- .03 cents per pound assessment. It is also my understanding that there may be some additional indirect costs, in the form of assessments that include the obligation to keep records of the amount of product I

handle and the calculation and remission of assessments to the American Pecan Council. I believe these costs are reasonable and are not unduly onerous.

Perhaps more importantly, I am aware of the benefits that will flow from the increased marketing, promotion, and research efforts, including more accurate market data. I'm convinced that these benefits outweigh the costs to my business. In the future the proposed handling authorities for grades, sizes, quality, packaging, transportation, while burdensome in the short term, should prove helpful for my business and the industry, as a whole, in the long term.

I also understand that only shellers who handle more than one million pounds of in shell pecans per year will be eligible to nominate and to be elected to the sheller seats on the Council. I believe this is a fair threshold. First, I am not aware of any sheller in my area who handles less than one million inshell pounds per year that is in the commercial shelling business. Further, if there is such a sheller, I don't believe it would be commercially viable because of the investment that would be required. Cost of equipment alone would make it difficult for such a small production to turn a profit.

As an individual pecan sheller with a deep interest in a strong and thriving pecan industry, I support the proposed marketing order and encourage Secretary Vilsack to adopt and implement it.

I am also a long-standing member of the National Pecan Shellers Association; a member of the NPSA Board of Directors; and currently serve as Chairman.

The National Pecan Shellers Association is a trade association of 25 active (or shelling) members and 66 affiliate members that include growers, brokers, accumulators, equipment and other suppliers to the shelling industry. Of the 25 active (shelling) members, 18 (or 72 percent) qualify as small businesses under the guidelines of the Small Business Administration.

As the name suggests, our organization focuses on issues that directly impact the shelling and processing of pecans. We advocate for safe manufacturing and distribution practices of pecans, regulatory compliance, nutrition research and promotion of pecans.

NPSA members, including myself, have attended a number of informative meetings over the last several years. Indeed, I actively participated in NPSA board decisions to support the formation of the US Pecan Council now calling itself the American Pecan Board. Pecan shellers have been given ample opportunity to express concerns and offer suggestions as the Federal Marketing order for pecans began to take shape. These concerns and suggestions have been voiced in these proceedings.

Several members of the American Pecan Board are also members of the National Pecan Shellers Association. They, along with Mike Adams, have been instrumental in helping shellers – large and small – understand the challenges and the ultimate impact this Federal Marketing Order would have on us as individual shellers and as an industry.

In addition to my personal support as a pecan sheller, I have been authorized by the Board of National Pecan Shellers Association to testify on its behalf in support of a federal marketing order for pecans. Furthermore, a letter of support from the National Pecan Shellers Association has been written and is submitted by attachment to today's testimony to the Secretary of Agriculture, Tom Vilsack.

I will be glad to answer any questions.



*Pecans. Sacred. So good for you.*

July 29, 2015

The Honorable Tom Vilsack  
Secretary of Agriculture  
1400 Independence Avenue, SW  
Room 200-A  
Washington, DC 20250

Dear Secretary Vilsack:

The National Pecan Shellers Association wishes to express our support of the Federal Marketing Order for Pecans proposed 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 efforts to provide a consistent quality supply of pecans to domestic consumers and makes it difficult for producers and processors to earn a fair profit on their operations. 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 National Pecan Shellers Association goes on record in favor of the Order and would greatly appreciate your support.

Respectfully submitted,

Jerry Dowdy  
Chairman

cc: The Honorable Edward M. Alvos  
Office of the Under Secretary  
Marketing and Regulatory Programs  
US Department of Agriculture  
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Washington, DC 20250

The Honorable Anne L. Alonzo  
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