

PROPOSED AMENDMENT TO CFR PART §959
Public Member from Allied Industry
Justification of Proposal

Proposed Language:

Add a new subsection in Definitions titled “Public Member” which reads:

Public Member means any person without a proprietary interest in either a producer or handler organization

Reword “§ 959.22 Establishment and membership” to read:

The South Texas Onion Committee, consisting of fourteen members, eight of whom shall be producers and five of whom shall be handlers, and one of whom shall be a public member, is hereby established. For each member of the Committee there shall be an alternate. Producer members, public members and their alternates shall not have a proprietary interest in or be employees of a handler organization.

Reword “§ 959.26 “Selection” to include:

(c) Public Member. One public member and an alternate

Reword “§ 959.27 “Nomination”, section (a), second paragraph to instead read:

*For nominations for succeeding members, **Public members**, and alternates on the committee....*

1. What is the purpose of the proposal?

To add an additional member to the South Texas Onion Committee. This member would be a Public Member from Allied Industry – which is any industry or business sector that might come into contact with the Texas onion producers and handlers. Such industry might include but are not limited to academia, agricultural inputs, compliance services, facilities, finance, marketing, municipal, operations, packaging, transportation, and past producers or handlers.

By adding this member, it is the intention of the committee to bring new perspectives and ideas to the meetings. Due to the reduced number of producers and handlers over the last several decades, many current Committee members have served in Committee roles before. While this is not a bad thing, it does at times prevent original ideas for improving the industry or Committee activities.

2. What problem is the proposal designated to address? Explain/Quantify.

As the Committee continues its mission to work on different areas of production, handling and marketing with the purpose of increasing market share of Texas onions, it has become more and more critical to consider including Committee members with the skills needed to successfully advise the Committee on future activities. A Public Member brings outside perspectives and skills to the Committee, and thus can provide a view on issues or activities that would not otherwise be considered. Such input could be vital to the successful implementation of new/better Committee activities.

3. What are the current requirements or industry practices relative to the proposal?

Current requirements for committee membership are that Committee members must be producers or handlers and each member of the Committee shall have an alternate. Producer members and

alternates shall not have a proprietary interest in or be employees of a handler organization. Such will be the case for the Public member; such a member will not have a proprietary interest in or be employed by either a producer or handler organization.

Further, it is very common on other fresh produce industry and association boards to have members from outside the immediate industry. These members are often from adjacent industries, such as transportation, packaging, chemical, machinery, and financial sectors. This way the member understands many of the higher level objectives and issues, but perhaps not the nuances of Texas onions. Their input is often necessary to help add or consider context of decisions that will impact the fresh produce sector.

The qualifications will be identified in the STOC Bylaws, so that the committee can fine tune the selection process over the initial years in order to develop language that best allots the right candidates.

4. What are the expected impacts on producers, handlers, and consumers?

Expected impacts is to improve STOC operations by adding outside perspectives to considerations and activities of the STOC.

5. How would the proposal tend to improve returns to producers? Quantify.

In the case of certain issues, adding a Subject Matter Expert (SME) to the committee provides industry the opportunity to perform an activity with a higher ROI. For example, bringing a marketing expert in to better explain/discuss promotional activities will give the Committee better advice for a more impactful consumer campaign, which would increase sales. In the example of having an academic expert, this input could be valuable in advising the Committee which research has the larger beneficial impact to the industry than another research.

Similar committees often find having a public member helpful in such scenarios, which adds value to the committee and the seat. This not only adds knowledge and skills, it also aligns the STOC with other regional and industry groups.

6. What are the expected effects on small businesses?

Will not expect more or less of an effect on small businesses.

7. Would the proposal increase or decrease costs to producers, handlers, committee and/or USDA? Explain/Quantify.

There will be no impact on any costs to any party.

8. How would the proposal be implemented?

If the amendment is successful, following the effective date to the order a Public Member would be added to the ballot and a Member and Alternate would be voted in. These roles would then serve 2-year terms, similar to all the other roles on the STOC. After the Committee has been seated for the fiscal year, the new committee will select the Public Member, Candidates will be put forward in the same manner as Producer and Handler suggestions, with names put forward verbally for discussion and voting by the members present. Nominations and/or suggestions will be accepted at both the District and the larger committee meetings, which is the existing methodology for selecting committee members.

In the same which other committee members are currently selected, outreach can be done following

either a Diversity Subcommittee or District meeting in which the committee members present request the STOC staff look for or reach out to candidates at the behest of the committee members. Further, the Public Member need not live in the production area however they do need to live in the state of Texas.

9. How would compliance with the proposal be affected? Explain/Quantify.

Any nominees would need to certify that they do not have a financial interest in the industry that would be verified by the committee. The nominee will still need to be approved by the USDA.

**Sample Language for adding “Public Member” to existing Federal
Marketing Orders**

The committee may be increased by one public member and an alternate. Persons for the public member need not be a resident of the production areas and shall have no direct financial interest in the commercial production, financing, buying, packing or marketing of South Texas onions, except as a consumer, nor shall such person be a director, officer or employee of any firm so engaged. The positions would be nominated by the committee and selected by the Secretary. The committee, with the approval of the Secretary, shall prescribe qualifications, term of office and the procedure for nominating the public member and alternate. The selection of the Public Member shall take place after the Committee has selected other committee members, although recommendations may take place at other meetings ahead of the final nomination and selection.

Examples:

b) The committee may be increased by one public member and an alternate. Persons for the public member positions would be nominated by the committee and selected by the Secretary. The committee, with the approval of the Secretary, shall prescribe qualifications, term of office and the procedure for nominating the public member and alternate.

(c) The public member shall be a resident of the production area and shall have no direct financial interest in the commercial production, financing, buying, packing or marketing of Vidalia onions, except as a consumer, nor shall such person be a director, officer or employee of any firm so engaged.