

Good day,

My name is Dante Galeazzi, and I am the President and CEO of the Texas International Produce Association (TIPA). TIPA has the honor of being the organization responsible for managing Federal Marketing Order #959 and the order's committee and operations, which we affectionately know as the South Texas Onion Committee or STOC.

TIPA was founded in 1942 and is responsible for promoting, advocating, representing and educating the \$13 billion dollar fresh fruit and vegetable industry that is either grown in Texas or considers Texas its first point of arrival in the US. TIPA has nearly 400 member companies who voluntarily participate in the association, with members covering all aspects of the supply chain from grower to distributor.

Personally, I come from a farming family in central CA. When I was 13yo, my first job was counting the closed 100lbs sacks of onions in the field, as they sat in burlap curing under the sun. I would progress in job duties over the years until I was 18yo, covering jobs such as: packing and stacking onions; driving forklifts, tractors and 18-wheelers; placing sprinkler pipe; and leading a harvest crew for apples.

After graduating college with a degree in International Business Management and two minors, I went right back into the produce industry. I have held positions with C.H. Robinson Worldwide and even managed a portion of their perishable cargo division, Rio Queen Citrus, Wonderful Company (formerly Paramount Citrus) and Frontera Produce (including Crescent Fruit). During that time, his posts have included branch manager, regional sales director, new account development, retail & food-service client management, as well as a myriad of functional roles including overseeing special projects such as marketing, purchasing, operations, MX & US grower relations, food-safety and recall/crisis-management.

I handled onion sales at both Rio Queen and Crescent/Frontera from 2009 to 2017. Onions were one of my principal commodities during that time. Along with a sales team, we were responsible for selling hundreds of loads. My clients were primarily grocery stores and wholesale entities. During that time, I would handle onions not only from South Texas but also from:

- Central Texas
- New Mexico
- Colorado
- Oregon
- Utah
- Georgia
- Mexico (Tamaulipas, Nuevo Leon, Chihuahua, and Coahuila)

I dealt with many existing varieties and packaging types, including dealing with introducing new packaging request. And as is the case with new endeavors, I failed at some and won at others alongside those teams and companies. Importantly, both success and the lack thereof would

teach an important lesson and perhaps even more importantly, helped me develop additional understandings and skills to better prepare me for the next request.

Prior to accepting the position of President for TIPA, I sat on the board as either a director-at-large or executive member for the 9 years immediately prior. During that time, I was a part of the organization's move from the previous iteration Texas Produce Association, as well as the committee that oversaw the creation of the Border Issues Management Program (BIMP) and the highly successful Viva Fresh Produce Expo. I would occasionally attend STOC meetings during that time, but since I was on the TIPA board it was often decided someone else should sit on the STOC board from my previous employers.

Today, I speak on behalf of the industry, drawing on my nearly 30 years of experience in the fresh produce industry, to speak on all 5 points of consideration.

#1. Addition of a Public Member

As an industry that feeds our neighbors and drives our region, we benefit when our decision-making reflects not only the growers and shippers, but the communities we serve. Adding a public voting member to the South Texas Onion Committee strengthens transparency, invites fresh perspective, and reinforces public confidence in how we manage and promote one of Texas's signature crops.

Furthermore, it benefits the Committee to have the opportunity to include expertise outside of the Handler and Producer members. As the Texas onion industry determines the "future" of this industry, we believe it is crucial that the Committee be allowed to include outside expertise in the decision making process. Not only do the decisions made by the STOC impact the stakeholders, but the community as well. Whether institutional, academia, allied, adjacent, or indirect affiliates, the ecosystem around these businesses is interconnected and the future forward is likely going to require partners we have yet to discover.

#2. Permit the Use of Outside Funds, such as Grants

The Texas onion industry must be allowed to augment marketing and other efforts by complimenting industry funds with sources such as Federal and State grants. Every dollar counts, and the more dollars the bigger the impact. However, securing those dollars is difficult. While the Texas onion industry has come a long way in the last decade, including the decision to increase the assessments specifically for the purposes of marketing... the industry remains too small to compete at the same scale as other food companies. Without outside funds, the STOC has struggled to reach more than \$70,000 in marketing funds per year.

While this is no small relative figure, it is very small in the world of produce marketing – and thus, a challenging amount with which to make an impact. Paramount Citrus spent \$20 million in 2011 to take the first steps with the Cutie's brand. After, Wonderful Citrus spent \$100 million to build the Halo brand over 5 years, beginning in 2014. These were considered tremendous successes.

Looking at more recent campaigns, the Produce for Better Health is spending \$1 to \$5 million per year nationally to increase produce consumption, but the campaigns had little impact. Meanwhile, California Grown Produce has invested between \$5 to \$10 million per year – primarily in the state – and has seen a 10% increase in sales.

The point is, it is hard to make an impact but it's even harder when we don't have the right budget. Granting access to outside funds will give the STOC an opportunity to better position Texas onions in the marketplace.

#3. Market Promotion authority, including paid advertisements

Following with the prior point, the STOC must also have the ability to use those marketing funds on advertisements, promotions, and any other tool which can support increasing sales of Texas onions. Without sufficient room to conduct meaningful marketing promotions with tools such as paid advertisements, messages are largely limited to our own social media feeds and channels. Or, the association is largely limited to research and education. Without the ability to recruit influencers, by advertisement space, or even work to develop in-store promotions, the tools by which the STOC has space to market are very few and extremely limited.

Allowing the committee to do this will open not only the number of channels through which we can share our message, but it also allows us to reach different consumer segments, which means increased market penetration and in-turn higher sales lifts.

#4. Reduce termination voting threshold from 67% to 51%

The last 2 continuation votes for the FMO #959 required 2 referendum votes each. While each of the original votes (2014 and 2020) exceeded the 51%, both original votes failed to reach 67%. After a lengthy awareness campaign in both cases, a 2nd vote produced the necessary 67%.

In reviewing other marketing orders, it appears that such a threshold is not common. We could not find notes as to why such a high threshold was created. Anecdotally, speaking with older handlers/producers in the region they could not confirm why the threshold was at 67% either but they too disagreed with this level.

As such, since a majority of the growers is 51%, and a majority support and clearly continued to support the FMO #959 in prior referenda, and the number of producers in the region has gone down, it is the opinion of the STOC that changing the order to a 51% continuation approval would be far more efficient, and the outcome of the votes would be far better understood, while still providing the onion growers of South Texas a vehicle for regional marketing and commodity improvement.

CONCLUSION

In closing, the South Texas onion industry continues to represent not only a proud agricultural legacy, but also an opportunity for growth, innovation, and collaboration. The proposed updates to Federal Marketing Order #959 reflect the realities of today's marketplace and the collective desire of our producers and handlers to strengthen the future of this vital commodity. By adding a public member, expanding access to outside funds, authorizing market promotions, and modernizing the voting threshold, we can ensure that the South Texas Onion Committee remains relevant, effective, and inclusive in serving both the industry and the community. And importantly, that the STOC has the tools to achieve these goals.

As President and CEO of the Texas International Produce Association, and as someone who has spent a lifetime in this industry—from working the fields as a young man to leading one of its most established associations—I can say with confidence that these recommendations are not only practical but necessary. They are designed to strengthen this industry, elevate the visibility of Texas onions, and sustain the economic vitality of our region and this commodity for years to come.

We believe that through these adjustments, the Committee will be better equipped to fulfill its mission: supporting an industry that feeds families, strengthens communities, and exemplifies the resilience and pride of Texas agriculture. I respectfully submit these points for your consideration and thank you for your commitment to the continued success of the South Texas Onion Committee and the Texas onion industry as a whole