



TESTIMONY OF

LOUIE SALOPEK

Pecan Federal Marketing Order Hearing

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

Western Region – Las Cruces, New Mexico - July 20, 21 and 22, 2015

My name is Louie Salopek. It is spelled L-O-U-I-E S-A-L-O-P-E-K. I live in Las Cruces, New Mexico. Our family farm is just under 1,200 acres of improved pecans in New Mexico. Our father and uncles began planting pecans in the late 1960's and early 1970's. We would be classified as a large pecan grower under the Small Business Administration definition (more than \$750,000 in gross pecan revenues).

I graduated from New Mexico State University in 1987 and began working for our pecan farm. We also founded an acid based fertilizer company in that same year which has been important to pecan farmers in our area who have high pH water and soils. Selling fertilizer to pecan farmers in a 400 mile radius of Las Cruces has given me the opportunity to spend a lot of time with the pecan farmers in the West Region. I listened to those farmers discuss their concerns about the pecan industry my entire career.

Several years ago I was attending the Paris Food Show in Paris, France with the U.S. Pecan Growers Council to promote pecans internationally. On the twelve hour plane ride home I had a lot of time to think about our industry. My recurring thought was selling pecans internationally was and is still a very important role in our industry. However we have not made any attempts to break into the biggest consumer market in the world – the U.S. domestic market.

About this time, two years ago, Mike Adams was talking with pecan growers and shellers and beginning to form what is now the American Pecan Board. The simple idea was to listen to growers and handlers and find out what they thought we should do to fix the obvious problem – we have a great food product in pecans that is not being marketed. I was nominated as a grower from the West and voted in by the WPGA to become a board member of the American Pecan Board. I have been to dozens of meetings of growers and sheller's since then and talked to hundreds of growers and shellers. I just thought it was important to listen to growers and shellers and put the solutions to their problems in the Federal Marketing Order.

Here is how I see it after working on this project for over two years. First, growers, shellers, accumulators and other participants just do not have accurate data on the industry. Carry-in inventory (what is in cold storage) and scientific crop assessments for the upcoming year are non-existent. We rely on voluntary reporting and guesses which we have to get by with and deal with in the best possible way we know how. How can you sell or buy without good information? Second, the price for pecans has at times been too low and unstable. Third, marketing agricultural commodities is proven. We just heard from Dr. Palma on this and there is no doubt this has worked for other tree nuts and it will work for pecans. Fourth, if we lose the ability to sell our nuts internationally, we will be in a mess if we do not have a strong domestic market for pecans. Fifth, the large recent planting of pecans, because of a few price spikes in the last few years, will create both a welcome new supply but also the prospect of lower prices for growers if we cannot find buyers for these nuts. Finally, I think as an industry we have really started to heal. What do I mean? I mean I feel a new sense of growing understanding between growers in regions that never shared a lot of information.

I also noticed between growers and sheller's, who had always had a challenge of being on the same page, a new sense of understanding between them.

We need to seize on this unity and commit to work together to make this terrific, healthy food available to more Americans.

Additionally, 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.

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.

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.