

**TESTIMONY OF**

**BRAD ELLIS**

**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 Brad Ellis. It is spelled B-R-A-D E-L-L-I-S. I live in Cordele, Georgia. I am an owner, manager, and CFO of Ellis Bros. Pecans and a co-owner of Ellis Farms. I am a third generation owner/manager and have been working with my family business in every aspect since 1979. Attached is my resume.

Ellis Bros. Pecans and Ellis Farms are located in Vienna GA. Ellis Bros. Pecans is a retail, wholesale, and mail order business. Ellis Farms is the production side supplying the retail, wholesale, and mail order part of the business. I have over 1,200 acres of pecans currently in production. Last year we produced one million pounds of pecans. Since 2007, we have planted 1,300 acres of new pecan trees which are coming into production each year. The most recent planting will be in production by 2018. On our farm, we grow mostly improved varieties of pecans. We shell approximately 25% of our crop.

Ellis Bros. Pecans, a handler under the proposed federal marketing order, is a large business and Ellis Farms is a large grower under the Small Business Administration guidelines.

Over the past two years, APB representatives have attended the GPGA meetings and have solicited our input. I feel like I have been informed about the process of securing a federal marketing order and have been given an opportunity to participate in this process.

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. 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 recent years, I have seen wide variation in the prices I have received from my pecan crop. Before any marketing efforts, we were on a pricing system below cost and were considering cutting back on production. Since the marketing efforts of the Georgia Pecan Commission and the U.S. Pecan Council, we have seen an increase in price and we have doubled our production. This has allowed my family to bring into our business three new employees representing the fourth generation. Such wide variation in pricing makes it extremely difficult to plan for the future operation of my farm. While prices for pecans go up and down dramatically from year to year, my costs of production have steadily increased. Cost of fertilizer,

insecticides and equipment have all increased in recent years regardless of the price I receive for my crop.

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 my crop and to make reasonable business decisions about investments in my farm. Increased price stability and more accurate market information would greatly benefit my farm.

I think my farm 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 shelf space and consumer attention.

I 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 currently the President of the Georgia Pecan Growers Association. I have been authorized by the Board of the Georgia Pecan Growers Association to testify on its behalf in support of a federal marketing order for pecans and I have written a letter on behalf of my organization, the Georgia Pecan Growers

Association, to the Secretary of Agriculture. Attached is the letter of support. I am also testifying in my individual capacity in support of the federal marketing order for pecans. The Georgia Pecan Growers Association's mission is to encourage research, education, health benefits and promotion of all phases of production and marketing in the interest of our Pecan Growers in the increasing global market. Recognizing the contribution to the pecan industry made by other pecan organizations, the Georgia Pecan Growers Association shall aid these organizations in every way possible.

Georgia Pecan Growers Association has 456 members. A number of our members are classified as small businesses under the guidelines provided by the Small Business Administration.

The American Pecan Board has kept our organization informed about its efforts to propose a federal marketing order. Representatives of the American Pecan Board attended a meeting of The Georgia Pecan Growers Association on June 16, and provided us with information and solicited our input. Randy Hudson and Larry Wilson, members of our organization, are on 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.

Brad Ellis

Brad Ellis is a third generation pecan grower and an owner of Ellis Bros. Pecans, Inc.

Brad is a graduate of the University of Georgia and began his full time agri-business career with Ellis Farms and Ellis Bros. Pecans immediately following graduation.

He spent 30 years growing diversified crops including pecans, cotton, and peanuts. In early 2000 the family made the decision to concentrate their efforts in the pecan industry.

Brad currently manages 2500 acres of pecan trees including 1000 acres of young trees. He is planting young trees yearly in an effort to meet the demands of his retail market, mail order market, wholesale market, and the demands of the international market. He and his family have traveled abroad on numerous occasions promoting pecan exports. Some of those promotions have occurred in China, Paris, Korea, and Dubai

Brad currently serves as the President of the Georgia Pecan Growers Association. He is celebrating 31 years of marriage

# GEORGIA PECAN GROWERS ASSOCIATION, INC.

P. O. Box 1367 • Tifton, GA. 31793 / 220 E 2nd Street, Suite A • Tifton, GA. 31794

Phone: 229-382-2187 – Fax: 404-393-9298

www.georgiapecan.org • email: Janice@georgiapecan.org

July 22, 2015

To Whom It May Concern

It's my privilege to inform you that the Board of Directors of the Georgia Pecan Growers Association has unanimously voted to support the efforts toward the Federal Market Order for Pecans.

GPGA members are excited about the opportunities this assessment through the marketing order will afford in trade promotions and activities for the prevention, modification, or removal of trade barriers which restrict the normal flow of this agricultural commodity.

We are also excited about the ability to present and promote facts that will assist in negotiations with state, federal, and foreign governmental agencies on matters which affect the marketing of pecans.

The market order is a testimony to the pecan industry working together for a common goal.

Respectfully,



Brad Ellis, President  
Georgia Pecan Growers Association