

I. WRITTEN TESTIMONY IN SUPPORT OF MARKETING POLICY CHANGES AND AMENDMENTS

Richard Crowe

Proposal Number 3: Update § 989.54 Marketing Policy Factors for reporting to the Secretary each crop year: *Factor (4) An estimated desirable carryout at the end of the crop year & Factor (5) an estimated market demand for raisins, considering the estimated world raisin supply and demand situation. (5) The estimated market demand for raisins, considering the estimated world raisin supply and demand situation.*

§ 989.54 Marketing policy. (a) Marketing policy. Each crop year, the Committee shall prepare and submit to the Secretary a report setting forth its recommended marketing policy, including quality regulations for the pending crop. In developing the marketing policy, the Committee may give consideration to the production, harvesting, processing, and storage conditions of that crop, as well as the following factors: (1) The estimated tonnage held by producers and handlers at the beginning of the crop year; (2) The expected general quality and any modifications of the minimum grade standards; (3) The estimated tonnage of standard and off-grade raisins which will be produced; (4) An estimated desirable carryout at the end of the crop year; (5) The estimated market demand for raisins, considering the estimated world raisin supply and demand situation; (6) Current prices being received and the probable general level of prices to be received for raisins by producers and handlers; (7) The trend and level of consumer income; (8) Any prohibition of trade practices, pursuant to § 989.62 intended for the crop year; and (9) Any other pertinent factors bearing on the marketing of raisins including the estimated supply of and demand for other varietal types and regulations applicable thereto.

Richard Crowe

**§989.54 Marketing Policy Updates/Revisions**

**Introduction:** My name is Richard C. Crowe of Black-Crowe Vineyards, and I am a small certified organic raisin producer in Fresno, California. I am a California Raisin Administrative Committee (RAC) member and U.S. military Veteran owner of a small certified organic independent grower vineyard – Black-Crowe Vineyards. I am testifying on proposal number 3: Update/Revise Current Marketing Policy Factors of §989.54(a) (4 & 5) of the Order, specifically the removal of Factor 4 and revision of Factor 5 as well as general support for all proposed amendments and revisions to the Marketing Order. This proposal would delete and revise Factors 4 & 5 as considerations for reporting raisin-market conditions to the Secretary and would lessen the administrative burden for reporting on world raisin supply and demand fluctuations. The proportional cost and time burden of researching, assembling, and preparing the crop data between the Producers, Packers, Committee, and the world raisin industry is significant. Reducing the time and cost burdens of implementing Factors 4 & 5 would benefit the industry

and Committee by reducing internal costs since the conditions, requirements, and language of reporting on these Factors 4 & 5 have been changed, made moot, or are discretionary.

**Current Situation:** The Committee believes that currently determining and including language of factor 4 in the Marketing Policy, “*The estimated desirable carryout at the end of the crop year*”, is no longer necessary since there no longer is volume control authority under the Order. Additionally, the USDA source providing the information for factor 5 in the Marketing Policy, *USDA-NASS “Raisins: World Market and Trade Report”*, was discontinued in 2019. That information is also not needed in the absence of volume regulation authority. In the past, those trade data were available through the USDA-NASS reports but have not been collectively available since 2019. Since there is now no volume control authority under the current version of the Order, collecting, assembling, validating, and reporting those data is now moot. The reporting requirements and sources for these two factors have been removed, discontinued, or obviated due to changes in the current version of the Marketing Order.

**Solution:** By implementing the proposed rule changes, the reporting requirements by the Committee and industry to the Secretary each crop year will be aligned and compliant with the Order; this proposal will also remove the obsolete and moot clauses and requirements for reporting to the Secretary set forth in the Order.

The immediate benefits to the Committee, producers, handlers, industry, and consumers would be a reduction in staff, administrative production, research, and reporting costs on an industry level. The efficient operation of the industry, Government, and players in the raisin stream of commerce will be improved by removing the obsolete, unnecessary, and moot research and reporting requirements set forth in the two Factors (4 & 5).

**Conclusion:** I, as a small organic raisin and fruit producer, strongly support the amendment to revise and remove aspects of § 989.54 Marketing Policy Factors 4 & 5. As well as all other Market Policy amendments in front of you today. The administrative burden for compliance with several US, State, County, City, and Organic certifiers/authorities already has a prodigious impact on small producers and packers on an on-going basis. By aligning, removing, and amending the Marketing Order language of the subject Factors, The Government will help to alleviate the costs and administrative burden to the producers and industry.

In this regard, I beseech you to consider all the proposed amendments to the Marketing Order and approve for implementation this crop year.

Thank you for hearing my testimony in support of all the proposed amendments to the Marketing Order.

II. Description of Proposed Amendments-Specific: My Witness testimony for each proposed amendment covers the following important items:

FOR EACH PROPOSAL (which may include one or several amendments to the marketing order's language), describe:

1. The PURPOSE of the proposal. Proposal No. 3 – **Update Marketing Policy and Standards for Reconditioned Raisins:**
  - a. The purpose and reasons for removal of Factor 4 of the Marketing Order is *that “The estimated desirable carryout at the end of the crop year”* is no longer necessary since there is no longer volume control authority under the Order. This was part of the Trade Demand Calculation used to help determine if a reserve pool was needed. The USDA removed the Raisin Reserve in the last Rule Making effective October 2018. The estimated Carry-In is provided in the Marketing Policy per 989.54(a)(1) of the Marketing Order.
  - b. The purpose and reasons for the removal of the information for factor 5 (“*considering the estimated world raisin supply and demand situation*”) is that this information was sourced from the USDA Report called “*Raisins: World Markets and Trade.*” In July 2019, this report was discontinued. The last RAC Marketing Policy that contained this information was the 2018-2019 Publication below:
    - The USDA’s Foreign Ag Service (FAS) discontinued the annual report as well as raisin-related updates to the Production, Supply, and Distribution (PSD) database. The USDA’s National Ag Statistical Service is no longer reporting U.S. production data for several categories of raisin – type grapes, resulting in FAS no longer being able to develop a comprehensive global PSD estimate for raisins.
2. The new language, what is changing or what is being removed. Proposed removal of Factor 4 & revision of Factor 5 of §989.54 “*An estimated desirable carryout at the end of the crop year*” from the Marketing Order as it no longer is relevant after removing volume regulation authority from the Order. Furthermore, consider revising and removing the words “*considering the estimated world raisin supply and demand situation*” from § **989.54(a)(5)**, as the source of the information is no longer readily available or is unduly burdensome on the Growers, Packers, and Committee collectively to attempt to ascertain, research, review, assemble, and validate any world-wide raisin supplies and data at any given period for reporting purposes.
3. How the current order language works. The current language of Factor 4 & 5 allows the RAC to consider the desired annual raisin carryout crop levels and world raisin supply and demand conditions as factors when the RAC prepares and submits a report to the Secretary regarding the annual crop production, harvesting, processing, and storage conditions of the crop in any given crop year.

4. How the new language would work. The removal of Factor 4 of the Marketing Policy would clarify that Factor 4 is superfluous in that the conditions requiring the Factor are no longer relevant after the removal of volume regulation authority from the Order. Revising and removing Factor 5 language “*considering the estimated world raisin supply and demand situation*” would clarify and lessen the reporting and paperwork time and cost burden on the RAC and industry under the Paperwork Reduction Act since the source of information is no longer **readily available**.
5. How the new language would be implemented/effectuated. N/A
6. The expected cost or benefit –QUANTIFY. Quantifiably, the costs of researching, assembling, validating, and preparing the crop data (**Difficult to ascertain the actual costs across the industry**). The proportional costs and time burden of researching, assembling, and preparing the crop data between the Growers, Packers, RAC, and the raisin industry is significant. Reducing the time and cost burden of implementing Factors 4 & 5 would benefit the industry and RAC by reducing internal costs since the conditions and requested deleted language of Factors 4 & 5 have been made moot.
7. Industry support for the proposal. Strong support by RAC and industry members to revise/remove Factors 4 & 5. Factor #4 has not been included in the Marketing Policy statement for several years and is not relevant to the current administration of the Order. With the removal of volume control authority from the Order, the Committee believes that this factor should no longer be a requirement. Factor #5 has also not been included in the annual Marketing Policy statement for many years as the source for this information is no longer available and it would be cost prohibitive to acquire this information by other means.