



TESTIMONY OF

BEN KING

Pecan Federal Marketing Order Hearing

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

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

My name is Ben King. It's spelled B-E-N K-I-N-G. Although, I currently reside in Chicago, I have extensive personal heritage and involvement in orchard management and California agriculture generally and the California pecan industry in particular. Six years ago, I converted an orange orchard that has been in my family for over 100 years to pecans and since then I have planted and purchased approximately 850 acres of pecans in California. Currently, I am the largest producer of pecans in California (1.6 million lbs. of an estimated 6 million lbs. state crop) and owner of the largest acreage of pecans in California. In addition to the pecan acreage, I also own approximately 380 acres of almonds which has been established on land that has been in my family since the 1860s.

I have also been active in establishing several new companies that are intended to provide expertise, technology and capital to the California pecan industry in the future. I have established an asset management company called Arbor Nutrio LLC based in Chicago, and co-founded pecan marketing company called Pacific Gold Nut Company based in El Paso, TX and co-founded a tree nut

orchard management company called Pacific Gold Agriculture with offices in Visalia in the San Joaquin Valley and Colusa in the northern Sacramento Valley in California. One of my co-founders of Pacific Gold Agriculture is also present at these hearings and she looks forward to introduce herself and our collective vision for pecans and sustainable tree nut orchard management in California.

Under the Small Business Administration guidelines, we would be considered a large grower business.

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 but rather a wise investment for our companies and industry as a whole.

In recent years, I have seen wide variation in the prices paid for pecans and I believe that this volatility in prices is unhealthy for producers and potential future providers of capital to the industry. This volatility is extreme compared to my experiences as an almond grower and the price volatility that is observed for walnuts and pistachios in California. While the extreme price volatility of pecans

is unhealthy because operating costs have been rising regardless of pecan price declines it is also a deterrent to make necessary capital investments in orchard efficiency or sustainability infrastructure.

Further, the lack of accurate market information on the anticipated size of the pecan crop makes it difficult for us to feel confident about prices offered for our pecans. Increased price stability through more accurate market information would greatly benefit our farm.

I think our 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.

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 but nevertheless will benefit from the increased marketing, information and price stability that is likely to come with the Federal Marketing Order.

The American Pecan Board has kept our organization informed about its efforts to propose a federal marketing order. I have financially contributed to the work of the American Pecan Board because I believe in their goals.

In conclusion, we 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.

BEN KING

Owner of approximately 850 acres of pecans in California. 550 acres of 30 year old trees in Kern County and 300 acres of young trees in Colusa County.

Largest producer in California and largest acreage in California. Produce 1.6 million pounds out of 6 million State crop.

Owner of 370 acres of almonds and member of Blue Diamond marketing cooperative.

Owner of 1500 acres in total including 600 acres that has been my family since 1861 and an orchard that has been in family since 1911.

Co-founder of Pacific Gold Agriculture which is a statewide tree nut orchard management company with 3000 acres of almonds, pecans and walnuts managed as a group with affiliate companies. Offices are in Colusa and Visalia

Founder of Arbor Nutrio which is an asset management company based in Chicago focused on managing tree nut orchards. Currently all assets are personal assets but building infrastructure to manage institutional capital.

Co-founder of Pacific Gold Nut Company which is a pecan marketing company based in El Paso Texas

Fourth generation native Californian raised in Colusa California on family orange orchard Colusa is a town of 5000 people

Departmental Citation in Agricultural & Managerial Economics from the University of California, Davis

Bachelor of Science in Agricultural and Managerial Economics with Highest Honors from University of California, Davis

Masters of Business Administration, California State University, Sacramento

Juris Doctor, King Hall School of Law, University of California, Davis

