



TESTIMONY OF

DAN YORK

Pecan Federal Marketing Order Hearing

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

Central Region - Dallas, Texas - July 23 and 24, 2015

My name is Dan York. It is spelled D-A-N Y-O-R-K. I live in Little River County, Arkansas. I am the owner of the York Pecan Company. York Pecan Company has a pecan farm in Foreman, Arkansas. We have over 250 acres of pecans currently in production, which are mostly native/seedlings. We are also planting 30 acres of new pecan trees that will not be in production for another seven years, which are improved variety pecans. In 1999, we began the shelling segment of our pecan business. A copy of my resume is attached.

I am a fourth generation farmer and my roots go back to 1887 when my great grandfather, James O. Patterson, bought land in the Red River Township of Little River County, Arkansas. It was my father, Bill York, who introduced the family to the pecan business in the 1950s by clearing the bottomland timber and carefully leaving the native pecan trees untouched.

Under the Small Business Administration guidelines, we would be classified as a small pecan grower and small sheller (grower gross revenue less than

\$750,000 and sheller gross revenue less than \$7,000,000). Although a few times in recent years we would have been classified as a large sheller business.

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 for improved and 3.6¢ for native/seedling versus the average 2.5¢ and 1.5¢ per in shell pound cost, respectively. As a grower, I am aware of the costs that the proposed federal marketing order may impose on my farm and I do not believe those costs are unduly burdensome. I believe as a grower that the benefits of the federal marketing order to my farm will greatly outweigh any costs associated with it.

I am aware that the proposed order may impose some direct costs on my shelling operation, such as the 1-3¢ per pound assessment. I am also aware that there may be some indirect costs, such as the obligation to keep records of the amount of product we handle and the calculation and remittance of assessments to the American Pecan Council. I believe these costs are reasonable and are not unduly burdensome. I believe as a sheller that the benefits of the federal marketing order outweigh the costs.

In recent years, I have seen wide variation in the prices we have received for our pecan crop. Some years late in the season native/seedling pecan offerings would receive bids below production costs or no bid at all. Such wide variation in

pricing makes it extremely difficult to plan for my pecan growing operation and even more difficult for my industrial customers to make long term plans for their use of pecans. Research and development for new pecan containing products is adversely impacted by this price volatility. While prices for pecans go up and down dramatically from year to year, our costs of production have steadily increased.

Also, the lack of accurate market information on the anticipated size of the pecan crop in any given year increases the market volatility and makes it difficult for me to negotiate a fair price for my crop or buy pecans fairly from others. The Marketing Policy information provided for in 986.65, with a required two-thirds vote of the Council is exactly the correct way to improve this situation. Increased price stability and more accurate market information would greatly benefit my small family pecan operation.

I think my farm and the shelling business 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. We need to have complete discussion of this industrywide and the American Pecan Council would be an excellent forum.

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 would lack the commercial viability to make the required investments to produce pecans.

I also understand that only shellers who handle more than one million pounds of in shell pecans per year will be eligible to nominate and to be elected to the sheller seats on the Council. I believe this is a fair threshold. A sheller below this level would most likely be a seasonal producer serving a small retail customer base. Whereas a commercial sheller above this threshold would employ a full time labor force and have extensive capital invested making year round production necessary. I also participated in the debate of where the line should be drawn on the large and small shellers for the Council seats for shellers in each region. I agree that 12.5 million in shell pounds is an appropriate distinction between large and small or medium sized shellers.

I am currently the Vice-President of the American Pecan Board, and I have been actually involved in the entire process of proposing the federal marketing order.

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.

RESUME OF DAN YORK

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BORN: ASHDOWN, ARKANSAS 1952

EDU: ASHDOWN HIGH 1970

UNIVERSITY OF ARKANSAS BS AGRI. 1975

CAREER: 1976 – 1986 OFFSHORE DRILLING MIDDLE EAST, AFRICA & S. AMERICA

1986 – 1999 FARM & RANCH ASHDOWN, ARKANSAS

1999 – 2015 FARM & RANCH ASHDOWN, ARKANSAS

SHELLING PECANS FOREMAN, ARKANSAS

CIVIC: FIRST UNITED METHODIST CHURCH

MILLER-BOWIE COOP BOD

RED RIVER VALLEY ASSOC. BOD

ARKANSAS RED RIVER COMMISSION CHAIR.

NATL. PECAN SHELLERS ASSOC. SEC.