

**TESTIMONY OF**

**THOMAS STEVENSON**

**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 Thomas Stevenson. It is spelled T-H-O-M-A-S S-T-E-V-E-N-S-O-N. I live in Albany, Georgia. I have been in the pecan business in a variety of capacities for 45 years. I am currently the Director of Farm Operations of a new business venture named National Pecan Company which has 4,000 acres of producing pecan trees in 2014 with intentions to expand to 20,000 acres of pecan trees in the next few years and vertically integrate to include shelling and marketing. My resume is attached.

We would be classified as a large pecan grower under the Small Business Administration definition (more than \$750,000 in gross revenues from pecans).

I have reviewed the proposed federal marketing order for pecans as published in the Federal Register. I think it is very well done and really have no concerns about it. I think the American Pecan Board showed a lot of foresight not to propose supply restrictions or crop reserves in the proposed order.

There is much to like about the proposed federal market order for pecans but I think §986.65 "Marketing Policy" is especially important. The pecan industry

desperately needs credible crop information. Whether it is cold storage and carry-in inventory or crop estimates. We have operated without reliable market information for too long. We need to make marketing and business decisions with a greater degree of confidence in the industry's data.

**§ 986.65 Marketing Policy.**

By the end of each fiscal year, the Council shall make a report and recommendation to the Secretary on the Council's proposed marketing policy for the next fiscal year. Each year such report and recommendation shall be adopted by the affirmative vote of at least two-thirds (2/3) of the members of the Council and shall include the following and, where applicable, on an inshell basis:

- (1) Estimate of the grower-cleaned production and handler-cleaned production in the area of production for the fiscal year;
- (2) Estimate of disappearance;
- (3) Estimate of the improved, native, and substandard pecans;
- (4) Estimate of the handler inventory on August 31, of inshell and shelled pecans;
- (5) Estimate of unassessed inventory;
- (6) Estimate of the trade supply, taking into consideration trade inventory, imports, and other factors;
- (7) Preferable handler inventory of inshell and shelled pecans on August 31 of the following year;
- (8) Projected prices in the new fiscal year;
- (9) Competing nut supplies; and,
- (10) Any other relevant factors.

Also, the ability to bring together the entire industry across 15 states for product marketing, research, future handling regulations and future food safety responses will be important to every stakeholder in the future. For growers and handlers we can help the industry develop best food safety practices in order to

build consumer confidence in the U.S. domestic market. All of this is potentially available to us if we are able to move forward as an industry through the proposed federal marketing order for pecans.

In recent years, I have seen the wide variation in prices we have received for our pecan crop. Such wide variation in pricing makes it extremely difficult to plan for the future operation of our business. While prices for pecans go up and down dramatically from year to year, our cost of production have steadily increased.

I think our farms and the industry in general 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 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. Any grower that is smaller than the proposed threshold could not justify the cost inherent with such a small acreage. However, if the marketing order is successful, as I feel it will be, these small growers will reap the same market benefits as the larger growers. I am not aware

of a single pecan farmer in my area who has a commercial farm that is smaller than thirty acres or produces less than 50,000 average pounds per year.

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 varieties versus the average 2.5¢ per in-shell pound cost. I think promotion works for agricultural commodities and I agree that we are likely to get increased stability and prices through generic pecan promotion. Overall, I am aware of the costs that a federal marketing order may impose on our farms and I do not believe those costs are unduly burdensome. Further, I believe that a federal marketing order for pecans will produce a net positive cost/benefit for our business.

The American Pecan Board has kept our organization informed about its efforts to propose a federal marketing order. Representatives of the American Pecan Board have attended a number of grower meetings that I have attended. Also, I know several of the Board members 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.

**THOMAS G. STEVENSON**

**Personal and Work History**

**THOMAS G. STEVENSON**

**EDUCATION:**

High School Degree  
Various trade and technical seminars  
Cotton ginning school; Stoneville, MS  
Private Pilot with single, multi-engine and instrument ratings (6000+ hours)  
Texas A & M Pecan Production Short Course  
Computer utilization (self study)

**MILITARY SERVICE:**

U. S. Army (1967-1970)  
3rd Armored Division (West Germany)  
11th Infantry Brigade (Vietnam)  
NCO Academy Instructor (Fort Lewis, Washington)  
Rank of Sergeant  
Honorable Discharge  
Awards: Army Commendation Medal  
          Combat Infantry Badge  
          Bronze Star Medal

**PERSONAL DATA:**

Born:                   Mendota, California (Rancho Cantua)

Married

**THOMAS G. STEVENSON**

**CROP PRODUCTION EXPERIENCE:**

Cattle (beef, feedlot, cow-calf on western ranches)  
Cotton; Upland and ELS  
Barley, Oats, Wheat, Soybeans  
Pecans (Eastern and Western areas of production)  
Sunflowers  
Peanuts  
Blueberries  
Corn, Milo (sorghum)  
Alfalfa hay  
Pecan and Blueberry Nursery Stock  
Pine Timber for pulpwood

**PLANT OPERATIONS EXPERIENCE:**

Cotton Gin management  
Fruit packing and shipping. (Fresh and frozen product)(Shipping-domestic and export)  
Agricultural Aerial Application operations (crop spraying)  
Feedlot feed mill operations (300 tons per day)  
Pecan cleaning, grading, packing, shipping, sales and collections  
Commercial Hunting Preserve (Upland game)

**OTHER:**

Managed through Orchard Management Services all aspects of production on 1000 acres of Pecans, consult on another 4500 acres of pecan production, and operate custom hedging company for pecans.

THOMAS G. STEVENSON

**WORK HISTORY:**

1967 & prior: School

1968-1970: U.S. Military Service

1970-1972: Irrigation coordinator on 6500 acre pecan orchard in Arizona

1972-1979: Manager for 35,000 head feedlot and 1000 acre irrigated farm near Tucson, Arizona producing fat cattle for market and cotton, wheat, alfalfa and winter grains.

1980-1989: Vice President and general manager of FICO Southeastern operations, a 27,000 acre farm in north Florida, producing pecans, blueberries, soybeans, timber, corn, wheat, cattle.

1990-1991: Director of Operations for farm management and ginning company.

Property management in Georgia and Texas. (F&W Agri-Services) Operations management on 15,000 acres of row crops producing cotton, corn, peanuts. Operational management of 15,000 bale cotton gin.

1992-2014: Involved in the ownership and/or management of farm properties and related business' in Georgia and Texas comprised of approximately 5500 acres of pecans.

Flint River Pecans, Inc. (600 acre pecan orchard in Baconton, Ga. (1992-2012)

SS&W Enterprises (350 acre Texas orchard) (Sold in 2006)

Blue Three Groves, (800 acre pecan orchard in Albany, Ga.) (1998-current)

Gravel Hill Pecans, (350 acre pecan orchard in Albany, Ga.)(1992-2012)

Wetherbee Farms, (350 acre pecan orchard in Albany, Ga.)(1992-2012)

Orchard Management Services, LLC (farm management co.)

Pecan Partners (700 acre pecan orchard in Albany, Ga.)(2005-2010)

Schermer Pecans Inc., a pecan gift pack and fund raiser, processor and shipper (1998-2012)

Nut Tree Pecans, Inc. (commercial cleaning plant, marketing and export of pecans (1996-2012)

Farm consultation: Pippin Pecans (2000 acre orchard-Albany, Ga.)(1999-current)

Farm consultation: Frank Richter (700 acre orchard-Albany, Ga.)(2003-2004)

Farm consultation: Merrily Plantation (400 acre orchard-Thomasville, Ga.)(2003-2010)

Farm consultation: Mariella Farms: (350 acre orchard-Fort Valley, Ga.)(2003-2004)

Farm consultation: Varnadoe Land Mgt. (500 acres pecans-So. Georgia) (2006-2012)

Farm consultation: Graham Angus Pecans (1000 acres pecans-Albany, Ga. (2013-current)

Farm consultation: Turtle Shoals Plantation (400 acres pecans-Albany, Ga. (2013-current)

Farm consultation: Progressive Pecans (1200 acres pecans-Albany, Ga. and Monroe, La. (2010-current)

Partner in South Georgia Hedging Company (Partner operates)

All consulting obligations terminated by 12/31/14

Employed as Director of Farm Operations, National Pecan Co. (8/1/2014-current)



## THOMAS G. STEVENSON

### OFFICES AND MEMBERSHIPS HELD:

Owner; Orchard Management Services, LLC. (1998-2014)  
Partner; South Georgia Hedging Company, LLC. (2013-2014)  
President; National Pecan Grower's Assoc. (2006-2008)  
President; Southeastern Pecan Grower's Assoc. (2005-2007)  
Vice President; Southeastern Pecan Grower's Assoc. (2003-2005)  
Director; Southeastern Pecan Grower's Assoc. (2001-2003)  
Shareholder, Secretary/Treasurer; Schermer Pecans, Inc. (1998-2013)  
Partner and Managing Member, Orchard Management Services, LLC (1998-2013)  
Director; Southeastern Pecan Grower's Assoc. (1997-1999)  
Director and Treasurer; Georgia Pecan Grower's Assoc. (1997-1999)  
Managing Partner; SS&W Enterprises (1994-2006)  
Shareholder, Director and Secretary/Treasurer; Flint River Pecans, Inc. (1996-2012)  
Chairman; Gulf County, Fl. Extension Service Advisory Committee (1985-1989)  
Member; Aircraft Owners and Pilots Association (1977-2003)  
Member; Stonebridge Golf and Country Club (2007-present)  
Member; St. Joseph's Bay Country Club (1983-1989)  
Member; Gulf County, Fl. Comprehensive Planning Committee (1988-1989)  
Chairman; Gulf County, Fl. ASCS Committee (1989)  
Member; Gulf County, Fl. ASCS Committee (1987-1988)  
Supervisor; Tupelo Soil and Water Conservation District (1986-1989)  
Vice Pres.; Florida Pecan Growers Assoc. (1988-1989)  
Director; Florida Blueberry Growers Assoc. (1986-1989)  
Director; Central Arizona Irrigation District (1979)  
Shareholder; Red Rock Feeding Co., Inc. (1970-current)

### INDUSTRY AWARDS:

Georgia Pecan Grower's Assoc. = Lifetime Achievement Award = 2014  
Southeastern Pecan Grower's Association = Certificate of Merit 2013  
Outstanding Presentation = Jimenez, Chihuahua, Mexico Grower's Assoc. 2011  
Southeastern Pecan Grower's Association = Sustained Service Award 2010  
Southeastern Pecan Grower's Association = Appreciation for Industry Support 2006