



**NORTH CAROLINA
FARM BUREAU FEDERATION**

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**Comments regarding a Proposed National Leafy Greens Marketing Agreement
Hearing on Proposed Marketing Agreement No. 970
Charlotte, NC
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My name is Debbie Hamrick and I am the Director of Specialty Crops for North Carolina Farm Bureau and will present testimony today on behalf of North Carolina Farm Bureau. Thank you for conducting one of the hearings on the proposed NLGMA in North Carolina.

I am speaking today on behalf of North Carolina Farm Bureau. North Carolina Farm Bureau is the state's largest general agricultural organization with more than 500,000 member families. North Carolina Farm Bureau is the second largest state Farm Bureau in a national organization with more than 6 million member families.

The fruit and vegetable farmers within our membership encompass the gamut of large, internationally known producer-shippers, to small, celebrity producers of niche crops sold via CSAs and at one or two farmers markets.

North Carolina is a rapidly growing state: Our population is expected to grow 50% by 2030. That means that open space and agricultural land is at a premium. North Carolina leads the nation in the loss of farm land to development. At North Carolina Farm Bureau, we spend much of our time defending landowners' interests as they seek to use their property as working lands. For landowners wishing to farm in the Central and Western part of the state, higher valued crops such as fruit and vegetables marketed locally and regionally are very important to farm viability and thus very important to our agricultural landscape there. In our Eastern counties, fruit and vegetable production is dominated by larger producers growing crops that feed into the Eastern Seaboard's produce deal.

Currently all North Carolina fruit and vegetable production is estimated at about \$550 million on more than 131,000 acres, about 10% of all farms (5,500) produce fruit and vegetables. In my role as the Director of Specialty Crops, I work with approximately 15 individual fruit and vegetable associations across the state.

Leafy Greens are an important part of our total Fruit and Vegetable production, with cabbage and other brassicas (like collards), being the dominant crops grown for wholesale markets. According to our State Dept. of Ag, North Carolina ranks 6th in the nation in cabbage production. While we have a handful of large cabbage producers, we also have a large number of small producers. Our state also boasts many smaller acreages of field lettuce and salads production sold via CSAs and farmers markets. There are a couple of producers of larger scale producers of field lettuce and several hydroponic lettuce growers selling regionally through supermarkets .

While cabbage is currently the dominate leafy green, at one time, North Carolina was a leading lettuce producer in the US.

According to Dr. Bill Jester, NCSU, "commercial lettuce production flourished in the Cape Fear region around Wilmington beginning in the late 1800's and continued until the 1950's when vacuum cooled lettuce from California began to dominate the eastern market. A few growers in Southeastern NC (Castle Hayne) area continue to produce romaine and leaf lettuce today. In 1992, several processed salad companies entertained the prospect of sourcing lettuce from North Carolina and the rest of the eastern seaboard. 14 growers in 5 counties produced 110 acres of contract head lettuce in 1993 and 1994. Unfortunately the company decided to discontinue their vegetable production and concentrate on their primary business, sugar cane. From 2003 to 2005, another salad company put together a deal in Eastern NC. In the spring of 2003,

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more than 80 acres of Romaine was produced. Yields were good but the company was unable to buy all the lettuce due to over supply. Over 60 acres of romaine was produced by a four growers in the spring 2004 and sold to a number of companies. The prices were extremely good and growers were pleased.”

The point of this history is simply that as macro and micro economic factors come into play over time, production of crops shifts from region to region.

North Carolina, like neighboring states is not only proximate to the market, but enjoys an average of 40-60” of rain a year, depending on tropical storms.

Premature

We believe that implementing a National Leafy Greens Marketing Agreement at this time is premature in light of pending food safety legislation in the US Congress. It is my understanding that today the Senate HELP Committee is conducting a food safety hearing. As a matter of fact, Dan Regan, the Division Director for the NCDA&CS Food&Drug Division is presenting to the committee. Legislative outlook at this point is unclear, and proponents have been unable to speak to the issue of how the NLGMA will fit with future legislation.

We are concerned that Leafy Greens, which are currently dominated by Western US producers and marketers, may be carved out of the pack and put under the wing of USDA to the long term detriment of producers in the Eastern US, including North Carolina.

Proliferation of food safety metrics

Some North Carolina fruit and vegetable farmer members have expressed concern that they need fewer, not more produce safety programs with which they must comply.

The NLGMA proponents have stated publicly that implementing a national system will not halt the proliferation of produce safety metrics or development of “super metrics” that would far exceed any industry wide or governmental standards. Given that FDA regulations are most assuredly coming, and that individual retail companies will continue to develop programs to differentiate their supply from that of competitors, we question the need for yet another program.

With these main concerns in place, if USDA does move forward with the National Leafy Greens Marketing Agreement, we believe important changes must be made.

970.40 Administrative Committee. The role of the Administrative Committee is paramount. It is my understanding after participating in conference calls regarding the NLGMA and reading the Federal Register notice, that the National Leafy Green Vegetable Administrative Committee will administer the program. Advisory groups such as the Technical Review Board and Market Review Board and other subcommittees will be established. However, these advisory boards have no voting power.

We do not believe the current constitution of the Committee as proposed in the Federal Register notice serves North Carolina producers or our consumption market. Therefore, several important changes to the Administrative Committee must be made.

1) Reweight seats to reflect market.

The committee would be established with 23 members across 5 zones with four additional members. In essence, the Committee composition would codify the existing structure of leafy greens production in the United States. Zones 1 and 2, which have just 21% of the US population, a.k.a. leafy greens market, receive 10 of 23 possible seats. Zones 4 and 5 with 60% of the leafy greens market, receive just 6 of 23 seats.

As stated previously, North Carolina was an important source of lettuce for Eastern consumption markets decades ago and is currently an important supplier of cabbage. Given that macro economic parameters such as energy costs and water availability are likely to change and will directly impact future production, we believe that codifying an existing industry structure for a food as important to the health and diet of Americans as leafy greens is not wise policy.

We believe the Administrative Committee needs to be reweighted so that the voices of leafy greens producers and others within the consumption markets are equally as important.

2) Fewer handler seats/add other stakeholders.

Handlers comprise 13 of 23 seats. However, the emphasis of the NLGMA is food safety. Yet, there are no seats on the Committee dedicated to scientists or other stakeholders with firsthand knowledge and background in produce safety. We believe this is a serious oversight. While proponents have stated that the Technical Review Board will develop audit metrics, that board has no voting rights and simply “assists the Committee.” We believe that excluding the voice of science from the Committee that oversees a potential NLGMA is a serious oversight that needs to be addressed.

3) Zones reworked

Currently the zones for the Committee are grouped N-S, creating zones with widely varying production characteristics. Zones need to be reworked so that states with like production characteristics are grouped together.

We urge you not to dismiss these comments on reworking the Committee composition if the NLGMA moves forward. As written, the NLGMA proposed rule would codify an existing industry structure and place a critical issue such as the safety of leafy greens with a group that has a vested interest in outcome and a likely vested interest in maintaining status quo. We do not believe that the current Committee composition will allow the Committee to make decisions in the best interest of the country from a standpoint of facilitating competition and startup production. While North Carolina has been an important lettuce supplier in the past, our requests would be regarded as low priority pitted against the needs of larger producing states such as AZ or CA, who are guaranteed seats.

970.69 Official Mark. The official mark should be used in trade only. Paragraphs (a) and (b) provide wording instructing signatories to comply with this section. However, the language does not prohibit use of the mark on packaging that may be conveyed to consumers. Using the mark on packaging conveyed to consumers will create confusion by implying that leafy greens from small, local producers who do not sell products with the mark is somehow less safe.

If the mark appears at the consumer level it may also create a false sense of security. Currently, to my knowledge there is no metric that can definitely prove leafy greens safety. Just as proponents have argued that small producers affect the market when they produce unsafe product, bagged salad with a national level mark implying safety could harm small producers at the local and regional level.

970.75 Research and promotion. We believe it is inappropriate to use the funds to promote leafy greens produced under audit metrics of the agreement. Funds should be used to increase the safety of leafy greens and to administer the program, not for marketing promotion to consumers. The implication would be that greens produced outside of the agreement were less safe, which is unfair and not correct.

To conclude, we believe that implementing a National Leafy Greens Marketing Agreement at this point in time is premature. North Carolina has been an important producer of leafy greens in the past and continues to produce major quantities of Cruciferous crops such as cabbage and collards. If USDA moves forward with a National Leafy Greens Marketing Agreement, we believe that the Administrative Committee must be reworked. We believe the official mark should be used in the trade only and not promoted to consumers. Finally, we believe funds should be used to further safety of leafy greens and not to promote the program to consumers. Again, thank you for coming to North Carolina to conduct a hearing.