

June 11, 2024

The Honorable Tom Vilsack  
Secretary  
U.S. Department of Agriculture  
1400 Independence Avenue SW  
Washington, D.C. 20250

Dear Secretary Vilsack:

We write to express strong concern regarding the initial tranche of funding from the U.S. Department of Agriculture's (USDA) Regional Agricultural Promotion Program (RAPP). The allocation, made on May 21, 2024, which appears to unjustly support markets for various tree nuts over pecans. We request greater consideration be given to the pecan industry in future rounds of RAPP funding as the industry struggles to compete and remain afloat in today's market.

According to USDA Foreign Agricultural Service (FAS), the intent of RAPP is to build demand for American food and farm exports in high-potential markets around the globe where consumer demand and purchasing power are growing. Targeted areas to expand market share to are Africa, Latin America and the Caribbean, and South and Southeast Asia.<sup>1</sup> In October 2023, USDA authorized \$1.2 billion in Commodity Credit Corporation (CCC) funding for RAPP. Earlier this month, USDA released the first \$300 million of funding to sixty-six projects across the United States.<sup>2</sup>

We appreciate USDA establishing the RAPP program, but, based on the initial tranche of funding, it heavily favors the almond, walnut, and pistachio industries over the pecan industry. The pecan industry, through the American Pecan Council, only received \$1 million, while almonds, walnuts, and pistachios received funding levels of \$10 million, \$7 million, and \$5 million, respectively.<sup>3</sup>

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<sup>1</sup> U.S. Department of Agriculture's Foreign Agricultural Service (2024). *USDA Awards \$300 Million to Diversify Export Markets for U.S. Agriculture*. <https://fas.usda.gov/newsroom/usda-awards-300-million-diversify-export-markets-us-agriculture-0>

<sup>2</sup> *Id.*

<sup>3</sup> U.S. Department of Agriculture's Foreign Agricultural Service (2024). *RAPP Funding Allocations – FY 2024*. <https://fas.usda.gov/programs/regional-agricultural-promotion-program/rapp-funding-allocations-fy-2024>

The significantly lower levels of funding for pecans versus other tree nuts is concerning given pecans are grown in fifteen U.S. states,<sup>4</sup> while 100% of commercially produced almonds<sup>5</sup> and 99% of both walnuts<sup>6</sup> and pistachios<sup>7</sup> are grown in California. All domestic tree nut producers deserve an equal opportunity to grow their export markets and compete on a global scale, not just growers in California and on the west coast. The domestic pecan industry has a larger footprint than other tree nuts and represents American farmers of all backgrounds and geographic regions.

The pecan industry struggles to compete domestically for market share and price amongst the other tree nuts industries, particularly almonds, walnuts, and pistachios. The United States produces approximately 80% of the world's pecans, amounting to 278 million pounds, but only 28% of the supply is exported.<sup>8</sup> The main countries that U.S. producers export in-shell and shelled pecans to are Canada, the United Kingdom (UK), the Netherlands, Germany, and Mexico.<sup>9</sup> This highlights the dire need for expanded market access in Africa, Asia, Europe, and Latin America.

India remains the largest potential market for pecans due to the rising demand of health-conscious consumers for premium nuts and the expanding population. The country presents tremendous opportunity for U.S. pecan growers as the Indian government reduced its tariff on pecans by 70% on April 1, 2023.<sup>10</sup> In 2022, despite the 100% tariff, the U.S. exported approximately 109 metric tons of pecans with a value of over \$1.3 million. Since the duty on imports was reduced to 30%, exports of U.S. pecans to India are expected to reach between \$2 million to \$5 million annually.<sup>11</sup> To reach these heightened projections of pecan exports, domestic producers need additional resources for market development and consumer education.

We request that equal consideration for all domestic commodities, especially pecans, be granted for the remaining \$900 million in RAPP funding. Thank you for your attention to this important matter.

Sincerely,

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<sup>4</sup> American Pecan Council (2024). *Pecans 101*. <https://americanpecan.com/pecans-101/>

<sup>5</sup> U.S. Department of Agriculture's Foreign Agricultural Service (2024). *Cracking Open New Markets for California Almonds*. <https://fas.usda.gov/newsroom/cracking-open-new-markets-california-almonds#:~:text=All%20commercially%20produced%20almonds%20in,the%20State's%20leading%20agricultural%20export>.

<sup>6</sup> California Walnuts (2022). *About Walnuts*. <https://walnuts.org/about-walnuts/#:~:text=More%20than%2099%25%20of%20the,of%20the%20world's%20walnut%20trade>.

<sup>7</sup> American Pistachio Growers (2017). *History – Pistachio Origins*. <https://americanpistachios.org/growing-and-harvesting/history#:~:text=Today%2C%20the%20states%20of%20California,acres%20planted%20throughout%2022%20counties>.

<sup>8</sup> Agricultural Marketing Resource Center (2024). *Pecans*. [https://www.agmrc.org/commodities-products/nuts/pecans#:~:text=42.3%20million%20pounds%20of%20pecans,exported%20\(USDA%20ERS%202022\)](https://www.agmrc.org/commodities-products/nuts/pecans#:~:text=42.3%20million%20pounds%20of%20pecans,exported%20(USDA%20ERS%202022)).

<sup>9</sup> Southern Ag Today (2022). *U.S. Pecan Trade*. <https://southernagtoday.org/2022/11/03/u-s-pecan-trade/>

<sup>10</sup> U.S. Department of Agriculture's Foreign Agricultural Service (2023). *India: Success Story - It's Been a Tough Nut to Crack but India is all in on Pecans with the Tariff Reduction*. <https://fas.usda.gov/data/india-success-story-its-been-tough-nut-crack-india-all-pecans-tariff-reduction#:~:text=Effective%20April%201%2C%202023%20and,the%20previous%20Social%20Welfare%20Surcharge>.

<sup>11</sup> *Id.*