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The Produce News

NWPB increases assessment by 50 percent

by Joel Gebet

01/16/2008 - The National Watermelon Promotion Board increased its assessment by 50 percent to six cents per hundredweight from four cents on Jan. 1, according to NWPB officials.

A lengthy two-and-a-half year process culminated with the U.S. secretary of agriculture reviewing and approving the increase recommended by the NWPB board of directors, Mark Arney, the board's executive director, told *The Produce News* Jan. 4.

A release issued Nov. 1, 2007, by the USDA detailed the increased assessment. "Handlers and producers of 10 acres or more will split the costs by paying 3 cents [per hundredweight] each. Importers of 150,000 pounds or more of watermelons will pay six cents per hundredweight annually." Imports, Mr. Arney said, are "pretty much all we are collecting on now because even the fall deals are done here in the United States."

He added, "I just got an e-mail this morning from the USDA that the watermelon plan has been updated to reflect the change."

Mr. Arney said that the organization started looking at the increase after a request from its president, Brent Harrison, who in addition to serving as the board's president also serves as president of watermelon handler Al Harrison Co. Distributors in Nogales, AZ.

"We did a very detailed analysis as a result of that request," he said, noting that the results were submitted to the board and announced to the trade through a series of industry meetings that included state and regional events and the National Watermelon Association's convention in February 2007 in Asheville, NC.

"The NWA had a meeting [at the convention] where [the membership] endorsed it," he said. "While the NWA is separate, it's good to have our sister organization endorse it. Once that was done, then the legal process took over and we submitted it to USDA."

The last hurdle was a comment period that took place last July, and Mr. Arney noted, "We had a lot of favorable comments. They ran three-to-one favorable vs. unfavorable."

The increase will bring in an additional \$800,000 in revenue, upping the NWPB's operating budget to approximately \$2.4 million, Mr. Arney said.

He stressed that the increased funds will not be used for additional staffers, but instead would be utilized for programs including more television and children's programs, new retail and foodservice promotions, watermelon research and the NWPB's newly implemented food-safety crisis communications program, which is almost fully operational.

"Basically a lot of the stuff we already do, but we'll have more funds to do a better job," he said.



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"When we went to the board, we wanted them to know we were doing everything we could to spend their money judiciously," he said. "We've cut back on our staff by two professional positions, including a director of research and a director of industry affairs more recently, which we combined into a position called director of operations and industry affairs. We saved quite a bit of money on salaries."

"On our small budget, even with the increase, we need to be very, very cautious on how we spend those dollars," Leslie Coleman, the organization's director of communications, said. "Even with the increase, we'll still continue to be one of the smallest national commodity groups."