

**STATEMENT OF MR. JOHN FURMAN
CALIFORNIA PAJAROSA FLORAL, WATSONVILLE, CA**

**U.S. INTERNATIONAL TRADE COMMISSION
PUBLIC HEARING - INVESTIGATION NO. 332-TA-538
POSSIBLE MODIFICATIONS TO THE U.S. GENERALIZED SYSTEM OF
PREFERENCES, 2012 REVIEW: ADDITIONS AND COMPETITIVE NEED
LIMITATION WAIVERS
WASHINGTON, DC
FEBRUARY 27, 2013**

Chairman Williamson and members of the Commission, my name is John Furman and I am the President of California Pajarosa Floral in Watsonville, California.

As background, I have been working in the rose business for almost fifty years, and have seen first-hand the growth and decline of this industry. I began as a nursery hand at the age of thirteen, working in that position until college. Then in 1979, along with my business partner Alan Mitchell, I planted the first roses on the California Pajarosa property. In 1992, California Pajarosa became one of the first rose growers in California to institute hydroponic growing methods. While we intended to implement hydroponic growing for environmental reasons, we quickly realized that we were able to grow higher quality roses while increasing production per square foot. Most importantly, it helped us to stay competitive with the surge of cheap imports coming in from South America after passage of the Andean Trade Preferences Act (ATPA).

Our company happens to be the only significant rose grower left in Watsonville, CA, a city that was known in the past for its rose production. Many have tried to diversify to other crops to avoid direct competition from imports, but the learning curve is steep and we have seen scores of rose growers forced to shut down their operations. These growers found they could no longer compete with low-priced, subsidized roses entering this country with the benefit of duty-free access.

There is no doubt in my mind that the duty-free access rose imports have enjoyed has negatively affected our industry. While it is obvious that many rose growers have disappeared, the effects of import pressures have also caused changes to our sales patterns. First, our large quantity shipments to wholesale customers have often become half box shipments and many times, we find ourselves having to discard excess product since we have limited access to secondary markets.

Second, the shrinking rose industry and the related losses to our transportation system have contracted our market area back to California.

California Pajarosa has been lucky enough to stay in business, perhaps owing mostly to our strong work ethic. Instead of exiting the rose market, we chose to stick with roses since that is all we knew, but we have had to change our product mix, increasing from twenty to over one hundred

seventy varieties. We also knew that we could not compete unless we were operating efficiently, so we continued to make capital improvements to our farm, even when we were not seeing any revenue.

While we continue to be in business, the journey has not been easy. I recall a time in the not so distant past where one could count roughly two hundred twenty domestic rose growers. Today, official USDA estimates count only thirty five remaining rose growers across the country. I would like to see us build upward from this base rather than be subject to the continued onslaught of imports from Ecuador.

In closing, I ask you to please consider the negative effects on the domestic industry before granting GSP status to roses from Ecuador. With the expiration of ATPA benefits approaching, domestic rose growers see an opportunity to finally compete with imports on a level playing field. This historic industry deserves a chance to regain its prominence and exist for generations to come. Thank you and I look forward to responding to your questions.