



Developing a Research and Promotion Program

Fruit and Vegetable Programs

Research and Promotion Programs

All national research and promotion programs are intended to maintain and expand domestic and foreign markets for agricultural commodities. Under the Commodity Promotion, Research, and Information Act of 1996, a generic statute, industry members seeking a national research and promotion program no longer solicit Congress for legislative approval before implementing a program. The generic statute allows industries to request the Secretary of Agriculture to implement such a program. This streamlined process could save industries up to a year and tens of thousands of dollars in the implementation process.

Industry Analysis

The U.S. Department of Agriculture (USDA) has developed uniform guidelines for industries to use in preparing and submitting proposals for programs under the generic statute. A complete proposal should include an overview of the industry and address the objectives and details of the proposed program.

- Develop a profile of the industry, including such information as the volume, value, and geographic distribution of domestic production; the volume, value, and countries of origin of imports; and the number of large and small businesses.
- Justify a national program by answering questions, such as: What marketing problems exist? What alternatives were considered and why were they rejected? How much income could the program expect to generate at the optimum assessment rate? How much would it cost to administer the program? How much funding would remain to finance the program after program administration costs are paid? Could the remaining funds support an effective program?
- Identify what the industry expects to achieve through the program.
- Describe how the program's reporting, record keeping, and other compliance requirements would affect small businesses.
- Determine the level of industry support for the program.
- Draft the text of the proposed order and address who will pay the assessments (e.g., producers, first handlers, processors, importers); what the assessment rate would be (amount per unit of trade or value of the commodity); and whether small businesses would be exempt and, if so, the exemption level.

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Industry Boards

After the program is implemented, USDA usually conducts meetings to obtain nominees for the industry board. The Secretary then appoints the board members from those nominees. After appointment, the board has an organizational meeting to develop bylaws, select an office location; hire a staff; and recommend an assessment rate, budget, and marketing plan for USDA approval. Once USDA approves the assessment rate, budget, and marketing plan, the program may become operational.

Administration

USDA's Agricultural Marketing Service (AMS) has direct authority for oversight of the programs. Each industry is charged for the cost of administering its program. In addition, the industry boards must reimburse USDA for costs incurred in implementing their programs. Such costs include those incurred during the rulemaking process and in conducting the referendum. Among the administrative oversight responsibilities exercised by AMS are: board member appointments; budget and assessment rate approvals; project approvals; contract approvals; program enforcement; legal assistance; rulemaking; and other activities associated with administering the program in accordance with USDA policy and procedures.

Information

For more information, contact the Research and Promotion Branch, Fruit and Vegetable Programs, Agricultural Marketing Service; U.S. Department of Agriculture, 1400 Independence Avenue, SW, Room 2535-S, Stop Code 0244, Washington, DC 20250-0244. Telephone: (202) 720-9915. FAX: (202) 205-2800. E-mail: Martha_B_Ransom@usda.gov. Internet: www.ams.usda.gov/fv/fvrp.htm.

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Revised May 1998