



Marketing Orders

Marketing Order Administration Branch
Fruit and Vegetable Programs
USDA, Agricultural Marketing Service
1400 Independence Avenue, SW
Room 2525-S, Stop Code 0237
Washington, D.C. 20250-0237
Phone: (202) 720-2491
FAX: (202) 720-5698
Internet: www.ams.usda.gov/fv/moab.html

Program Information

Marketing orders help fruit and vegetable growers work together to solve marketing problems that they cannot solve individually. They help balance the availability of quality product with the need for adequate returns to producers and the demands of consumers.

Industry groups voluntarily enter into marketing orders and choose to have Federal oversight of certain aspects of their operations. A marketing order is a legal instrument authorized by the U.S. Congress through the Agricultural Marketing Agreement Act of 1937 (AMAA). Under the statute, the Secretary of Agriculture is vested with the power to regulate the marketing of eligible commodities--fruits, vegetables, specialty crops, and milk--in certain specified ways to solve specific marketing problems.

Currently, there are 35 fruit, vegetable, and specialty crop programs in effect, each tailored to the meet the needs of the commodity and industry. Order may contain provisions for one or more of the following types of activities:

- **Quality Regulation** - Regulating the quality of commodities to be shipped helps keep inferior products from depressing the market for the whole crop, contributes to consumer satisfaction, and builds demand.
- **Quantity Regulation** - Regulating the quantity of the commodity tends to stabilize markets. This is done by controlling the short-term rate of flow or allocating product between primary and secondary outlets.

- **Research and Development** - Permitting the industry to use marketing order funds to conduct research and development projects contributes to improved production, distribution, and consumption of the specified commodity.
- **Promotion and Advertising** - Authorizing generic promotion of the agricultural commodity helps improve sales in current markets and increase marketing opportunities. Paid advertising is allowed only for specific commodities.
- **Marketing Information** - Collecting detailed statistical data lends to marketing order program efficiency. This information is also useful to individual growers and handlers in making informed marketing decisions, thus promoting competition and efficiency.

Development of a Marketing Order: Each proposed program is initiated by industry members and presented to the U.S. Department of Agriculture (USDA) for evaluation. The industry proposal details the marketing problems to be solved and how the proposed program would help solve these problems. USDA requires that any proposed order be justified by evidence, meets the AMAA's standards, and serves the public interest.

A rigorous schedule of formal procedures, including a public hearing, must be completed for each proposal for a new marketing order. Every provision of an order must be supported by evidence at a public hearing, and, in most cases,

an order cannot become effective until approved by at least two-thirds of the producers voting in a referendum or by producers representing two-thirds of the production produced by those voting. A marketing order usually takes approximately 24 months to implement.

Administrative Committees: Administrative committees manage orders locally. They are comprised of producers, or producers and handlers, and sometimes include a non-industry or public representative. All are nominated by the industry and selected by the Secretary. USDA encourages eligible women, minorities, and people with disabilities to participate in marketing administrative order committees.

A major function of these administrative committees is to make recommendations to USDA concerning the need for regulatory action authorized by the order. Committees may also propose administrative rules and order amendments, investigate and report to the Secretary complaints regarding alleged marketing order violations, and employ personnel necessary to administer the program. Committee expenses, as set forth in budgets approved by the Secretary, are defrayed by assessments on handlers.

The administrative committee's recommendations for regulatory action and justification are reviewed by USDA for consistency with: (1) the regulatory authorities provided in the marketing order, as well as USDA policy and the potential impact on small businesses, (2) the marketing policy adopted by the committee, and (3) the current market situation.

Regulation Issuance: Issuance of marketing order regulations follows procedures prescribed by the Administrative Procedure Act. This allows all interested persons to participate in the development of regulatory actions through information rulemaking procedures. All regulatory actions are published in the *Federal Register*, on the Internet at www.archives.gov/federal_register/index.html.

Small Business: Information on **small business** compliance with marketing order requirements can be obtained by contacting Jay Guerber, Marketing Specialist, at the mailing address listed below or by E-mailing him at Jay.Guerber@usda.gov.

Contacts

Marketing Order Administration Branch, Fruit and Vegetable Programs, Agricultural Marketing Service, U.S. Department of Agriculture, 1400 Independence Avenue SW, Stop Code 0237, Washington, D.C. 20250-0237. Telephone: (202) 720-2491. FAX: (202) 720-5698. E-mail: Jay.Guerber@usda.gov. Internet: www.ams.usda.gov/fv/moab.html.

Notes

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

Revised January 2004
