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From Grower to Consumer

The Marketing Order Administration Branch facilitates a cooperative industry and provides an assortment of marketing tools

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Michael (Mike) V. Durando is the chief of the Marketing Order Administration Branch, which he joined in 2003. Prior to that, Mike gained extensive experience in the fruit and vegetable industry as president of the New York Apple and Cherry Growers Associations and the California Grape and Tree Fruit League.

Americans enjoy an unparalleled bounty of high quality fruit, vegetables, and nuts to choose from when they shop, but it's likely that few are aware of what it takes to get those commodities from the farm to the supermarket. Anything can happen along the way: insect infestations, unpredictable weather, fluctuations in demand, and even labor shortages can interrupt the flow of products to market and affect the prices they ultimately bring.

Growers and handlers throughout the country must respond to these challenges, meet consumers' exacting demands, and sustain profitable businesses, all at the same time. The Marketing Order Administration Branch (MOAB) of the United States Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) stands ready with an array of tools to help with that effort through federal marketing orders and agreements.

A federal marketing order contains a set of legal requirements that are binding on all individuals and businesses classified as "handlers" in a geographic area. Authorized under the same federal statute, a marketing agreement is binding only on growers, handlers, processors, or others engaged in the handling of any agricultural commodity or its product who voluntarily sign the agreement, which may include—but is not limited to—the types of activities authorized for marketing orders.

MOAB oversees the management of these federal marketing programs. With staff in Washington D.C. and field offices in Portland, OR, Fresno, CA, McAllen, TX, Winter Haven, FL, and Riverdale, MD, support for fruit, vegetable, and specialty crop industries is readily available. MOAB personnel guide industry groups through the establishment of new programs and serve as liaisons between the committees and the USDA. Marketing specialists attend committee meetings, provide current information on USDA policies

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Key Elements

The Marketing Order Administration Branch (MOAB) of the United States Department of Agriculture has the tools to help the produce industry respond to challenges, meet consumer demand, and sustain profitable business. Here are some of the things MOAB does to keep the industry running smoothly:

- Oversees the management of marketing orders and agreements.
- Reviews all marketing communications to ensure compliance with federal law.
- Stays on top of the latest changes and technology in the industry.

To learn more about each key element, look for the key throughout the article.

and other topics important to the industry, assist with the revision of handling regulations, lend support for program compliance activities, and oversee research and promotion activities.

Marketing Orders and Agreements

Marketing orders and agreements provide participating commodity groups the authority to set their own course in the development of programs engineered to promote industry success. Working together under federal marketing programs, growers and handlers can address obstacles that would be formidable to individuals.

Authorized under the Agricultural Marketing Agreement Act of 1937, marketing orders and agreements are intended to establish and maintain orderly marketing conditions for regulated commodities. The programs are implemented by the USDA at the request of industries that demonstrate interest in regulating the handling of commodities produced within specified geographic areas.

Marketing programs offer flexibility in designing and modifying requirements to reflect evolving production and handling practices. For instance, authorized programs may include the authority to regulate the grade, size, quality, packaging, inspection, and volume handled of certain agricultural commodities. Depending on the needs of the industry, production and marketing research, market development, and promotional activities may also be authorized.

USDA marketing programs are administered by committees of local industry representatives. Working closely with the USDA, committees plan annual program activities and recommend program expenditures funded by assessments collected from handlers. Taking the lead in the recommendation and management of their own programs, produce industry members can select which tools to use in strengthening the production and marketing of their crops.

Currently, federal marketing order programs regulate the handling of a variety of domestically produced fruit, vegetables, and specialty crops. Potatoes and onions produced in several regions of the United States, Florida citrus, Oregon and Washington pears, California table grapes, walnuts, hazelnuts, spearmint oil, cranberries, and tart cherries produced in several states are among the thirty-two commodities with active marketing programs. In certain cases, imports of regulated commodities such as canned black olives, avocados, kiwifruit, and dates must meet companion import regulations that mirror those for domestic products. These import regulations help maintain the value of domestic product by ensuring that all products offered to consumers are of comparable high quality.

Marketing Research and Promotion Programs

Commodity groups can use marketing research and promotion authority to educate consumers about the nutrition and health benefits of their products, take advantage of current market trends, and develop new markets for their crops. MOAB is responsible for reviewing all marketing communications to ensure compliance with federal law and policy.

Production Research

Producing a high-quality crop to meet customer demand is where successful marketing begins. Research projects conducted under USDA marketing programs help growers address production challenges common to all producers in the regulated area.

For example, since the mid-1990s, the olive fruit fly has become a major threat to the production of California olives. In a commodity with zero tolerance, the presence of one fly larva in a can of black olives could be devastating. Members of the California Olive Committee have responded to this crisis by focusing their attention on finding ways to keep the insect out of their orchards.

Using assessment revenues earmarked for production research, the committee has funded several ongoing projects aimed at thwarting the fly. Such projects have examined climatic indicators for the fly's survival, mating disruption strategies, and post-harvest techniques for fly management. Monitoring programs provide weekly reports to growers so they know when and where to apply appropriate treatments.

Handling Regulations

An important feature of many marketing orders is the array of handling regulations designed to ensure that uniformly high-quality produce is shipped to market. Committees recommend standards for their products that may include maturity, minimum size, and grade specifications. Maximum tolerances for defects and contaminants, such as aflatoxin in nut crops, may be specified.

Some orders specify pack and container regulations, which standardize package sizes to make them easily recognizable throughout the market, or require certain container markings to provide trace-back information; for example, some container regulations specify the restricted use of such terms as "Genuine Walla Walla Sweet Onions," which lend name recognition to products with special marketing characteristics. USDA inspections are required for commodities regulated under marketing orders, and certificates are provided to ensure customers that products meet marketing order standards.

Flow to Market

Several federal marketing order programs feature volume control provisions that support an orderly flow of product to market. The handling regulations of products such as raisins, spearmint oil, cranberries, and tart cherries can adjust the volume of the commodity that enters the stream of commerce by establishing reserve pools or determining saleable allotments for each handler of the

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commodity. Release of product into the market can be timed to maintain appropriate prices and prevent the disruptions that would likely occur if markets were saturated with a commodity's entire harvest all at once.

MOAB strives to remain flexible as it serves the produce industry. Technological advances, such as the posting of new and proposed regulations on the Internet or acceptance of electronic submission of public comments, provide customers with easily accessible information and means of communication. The recent adoption of the Marketing Order Online System streamlines the submission of required importer reports and forms, which saves busy industry members time and money.

MOAB continues looking to the future in its efforts to assist industries with the marketing of domestic products home and abroad. Recently, marketing specialists have worked closely with the California almond industry to develop a mandatory treatment program that would reduce the risk of salmonella contamination and ensure customers that almonds shipped from the state are of the highest possible quality. Currently, MOAB personnel are monitoring the success of a voluntary California state marketing agreement for leafy greens and are cooperating with industry representatives who may be interested in the development of similar federal programs.

Learn more about MOAB by visiting http://www.usda.ams.gov, calling 202-720-2491, or writing: Marketing Order Administration Branch, AMS Fruit and Vegetable Programs, 1400 Independence Avenue SW, Stop 0237, Washington, D.C. 20250-0237.