

Marketing Orders and Agreements

Building better capabilities to meet food safety requirements

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Competition in the U.S. produce industry leads to innovations and efficiencies meant to make one company more successful than another. As growers and handlers of fruits, vegetables, nuts, and other specialty products, there are federal marketing orders and marketing agreements available to help the entire industry compete more effectively in the marketplace.

OVERCOMING BARRIERS AND OBSTACLES

Food marketers are susceptible to a range of economic factors that impact the marketability and profitability of their products. Regional and commodity segments work aggressively to resolve barriers to global markets and address food safety issues that continually evolve and present challenges to a new generation of industry members.

☞ Sales barriers can be resolved by companies working together and contributing resources to a common goal. Federal marketing orders and marketing agreements provide a framework for growers and handlers to come together to discuss issues of mutual concern and develop strategies to fix them.

Elanor Starmer, administrator of the Agricultural Marketing Service, part of the U.S. Department of Agriculture (USDA), agrees and believes these agreements “enable growers and handlers to work together to improve the competitive profile of their own industry” and in turn, can help all companies selling a particular product succeed.

HOW MARKETING ORDERS & AGREEMENTS WORK

Commodity groups choosing to operate under a marketing order or agreement do so with a board or committee that generally consists of growers and handlers who represent the industry’s best interests. The boards and committees meet periodically to develop strategies for resolving industry situations. Once the board or committee agrees on a path to move forward, it provides a “justification” or plan to the USDA for consideration.

Just as the USDA may implement industry-requested regulation after considering public input and research, producers decide whether to implement a marketing order that determines how shippers, brokers, processors, and other handlers place their product into commerce. Handlers or suppliers, however, decide whether to enter into a marketing agreement themselves. Any marketing order or agreement applies to the handling of the specific product after it leaves the production facility, as it is placed in commercial channels.

☞ Each program is customized to meet the needs of a specific industry. Handling regulations may have provisions that require grading and inspection services to meet minimum standards, or standardized packaging and labeling of containers to boost consumer awareness of a product.

Key Elements

Marketing orders and agreements can provide new opportunities for commodity groups:

- ☞ by eliminating sales barriers
- ☞ creating a customized program to meet specific needs
- ☞ putting safeguards in place for food safety
- ☞ providing a flexible framework to handle current and future needs.

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

While competition has always been the hallmark of the U.S. free market economy, sometimes partnering with others will boost a commodity group’s opportunities for success.

Government Views

Efforts can be undertaken to conduct production research projects, or create market research and product promotion activities. In addition, the committee or board can, with the input of industry members, increase or decrease the amount of product allowed into commercial channels during periods of exceedingly high or low volume.

The role of the USDA is to monitor compliance, in partnership with the board or committee staff who collect the data provided by handlers. When a board or committee reports noncompliance, the USDA will investigate.

“Compliance is a vital part of our marketing order, because it ensures the integrity of the regulations our Florida avocado producers voted into place,” comments Alan Flynn, manager of the Avocado Administrative Committee.

FOOD SAFETY PROTOCOLS AND COMPLIANCE

One task ahead for the produce industry is to demonstrate compliance with the U.S. Food and Drug Administration (FDA) Produce Safety Rule. For decades, food com-

panies had the option of following FDA guidelines that are now becoming science-based sanitation and food safety standards.

The FDA’s transition from voluntary guidelines to formal regulations is changing the processes through which raw produce items are grown, harvested, packed, stored, transported, and otherwise handled to reduce or eliminate contamination through documented standards.

The USDA’s role in enforcing compliance through marketing orders and agreements can help growers demonstrate whether they have the necessary production and handling safeguards in place to satisfy FDA requirements. Marketing agreements can show the FDA that processors, packers, brokers, and other handlers are in compliance with the Produce Safety Rule by detailing these procedures and protocols for the harvest, handling, storage, and transportation of product.

☞ Safeguards could include using mandatory inspection as a way to verify food safety and requiring control measures and container requirements on outgoing shipments to verify the cleanliness of containers.

A number of commodity groups have been proactive in ensuring safeguards are in place to comply with FDA requirements.

The Almond Board of California is an excellent example of how an industry can fund research and train growers for the changes created by the Produce Safety Rule and Best Practices for Manufacturing.

Other marketing order groups for avocados, cherries, cranberries, oranges, pears, table grapes, onions, and tomatoes have worked with the USDA to create a combination of food safety, food quality, and related research authorities. Marketing order boards and committees can also serve as the organized training platform to help implement FDA regulations.

CONCLUDING THOUGHTS: KNOW YOUR OPTIONS

With the FDA’s support and encouragement, USDA marketing orders and agreements are available to industries that want to build a framework for success through compliance with food safety requirements.

Now is the time to begin a dialogue with USDA; agency specialists are eager to meet with growers and handlers in all areas to share information and discuss program options.

And while competition has always been the hallmark of the U.S. free market economy, with businesses of all types and sizes vying for success, sometimes partnering with others will boost a commodity group’s opportunities for success.

☞ Marketing orders and agreements are flexible enough to fix situations now and to position commodity groups for future accomplishments. They can create efficiencies in marketing specialty crops, and make the industry more profitable as a whole, strengthening the economic foundation of rural communities. Through these programs, the USDA continues to “help farmers help themselves” and supports the Agricultural Marketing Service’s mission. 



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