

WHAT ARE MARKETING PROGRAMS?

The purpose of marketing programs is to provide agricultural producers and handlers an organizational structure, operating under government sanction, which allows them to solve production and marketing problems collectively that they could not address individually. Current marketing programs' activities include commodity promotion, research, and quality-assurance standards and prohibition of unfair trade practices. Some of the programs carry out all of the authorized activities while others engage in only one or two, depending on the needs of each respective industry. While still an authorized activity, none involve volume control. These organizations provide a structure for solving problems and also provide a vehicle for collecting funds to support activities.

The programs are authorized under the California Marketing Act of 1937 and other individual chapters (laws) in the Food and Agricultural Code. State law requires that the California Department of Food and Agriculture oversee all State marketing programs. Each marketing program is governed by a board made up of industry members. Some boards also have public members.

Marketing programs are industry initiated and usually do not go into effect without approval by an industry vote. Since all industry members stand to gain from a marketing program's activities, all *affected* producers and/or handlers of each commodity are required to abide by the marketing program's statutory provisions and share the cost of funding the program's activities.

WHAT DO MARKETING PROGRAMS DO? WHO BENEFITS FROM THEM?

The activities of marketing programs have changed over the years. Early efforts were directed primarily toward the management of surpluses, commodity grading and unfair trade practices. Today, research and promotion are the major activities of most marketing programs. These programs fund and conduct a diverse range of research projects such as the biological control of pests and diseases, reduction of environmental damage, water use efficiency, improved production practices, development of new products and uses, nutritional education for consumers, and promotions in both domestic and global markets. A few programs also establish quality standards and support inspections to assure that quality levels are maintained.

These activities benefit consumers as well as agricultural producers and handlers because marketing programs help stabilize market forces and provide an

environment that result in an abundant supply of affordable, high quality food, fiber, and material.

California is, by far, the number one agricultural producer and exporter in the United States. No other state in the union even comes close. In 2013, the farmgate value of traditionally tracked agricultural commodities covered by State marketing programs was approximately \$31 billion; representing 67% of California's \$46 billion agricultural industry.

The State is unique among the major agricultural regions, and the industry is notable for its size, diversity, innovation, and efficiency. Marketing programs contribute to the prosperity of the State's renowned agricultural industry.

HOW DID MARKETING PROGRAMS COME ABOUT?

Early in the State's history, California agriculture produced commodities for local markets. With the construction of transcontinental railroads in the late 1800's, California farmers increased production to serve rapidly expanding eastern U.S. markets. By the 1930's, when the Great Depression developed, demand for these products dwindled and the market for farm products became unstable. In 1937 the Legislature passed the California Marketing Act to bring stability to agricultural markets.

The Act declared that the inability of producers to maintain markets or develop new ones for their commodities, as well as a lack of uniform grading standards, prevented farmers from earning a fair return. And this, in turn, jeopardized the production of food for the nation. The Legislature believed that the prosperity of agriculture was essential to the general health and well-being of all Californians. The marketing program concept enabled producers and handlers of commodities to work together in solving some of the agricultural industry's problems.

Since 1937 the Marketing Act has been amended several times and other statutes authorizing marketing councils and commissions have been adopted to accommodate the dynamic nature of California agriculture.

HOW MANY MARKETING PROGRAMS ARE THERE? WHO PAYS FOR THEM?

Today, there are 52 active State marketing programs representing over 40 agricultural commodities. Of those 52 programs, 27 are marketing orders and 3 are marketing agreements operating under the Marketing Act, while 19 are commissions and 3 are councils operating under individual enabling legislation.

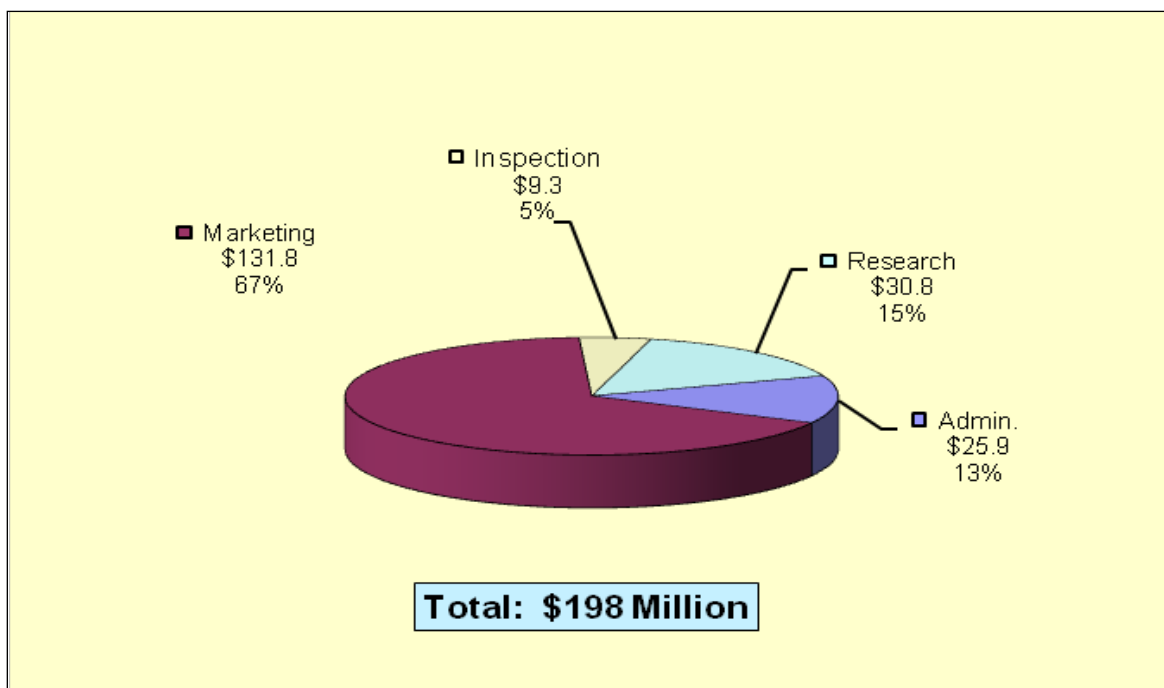
Marketing programs are entirely self-supporting. The industry pays operating costs, including the costs of government oversight. There are no subsidy payments to producers or handlers from general State tax sources and no general tax funds are used to support marketing program operations. Although only industry money is used to capitalize these programs, the taxing power of the State is used to collect these funds. State oversight is provided to assure that each marketing program operates in the public interest.

WHAT IS THE ROLE OF THE MARKETING BRANCH?

The Department's Marketing Branch carries out the State's responsibility in overseeing the administration of each marketing program. This supervision assures the industry and the public that each program conducts its business according to legislative intent and in the public interest.

The Marketing Branch evaluates the need for implementation, amendment, and continuation of marketing programs. Branch representatives assist the programs in planning and implementing their activities. The Marketing Branch enforces the terms of marketing programs and the mandatory collection of assessments.

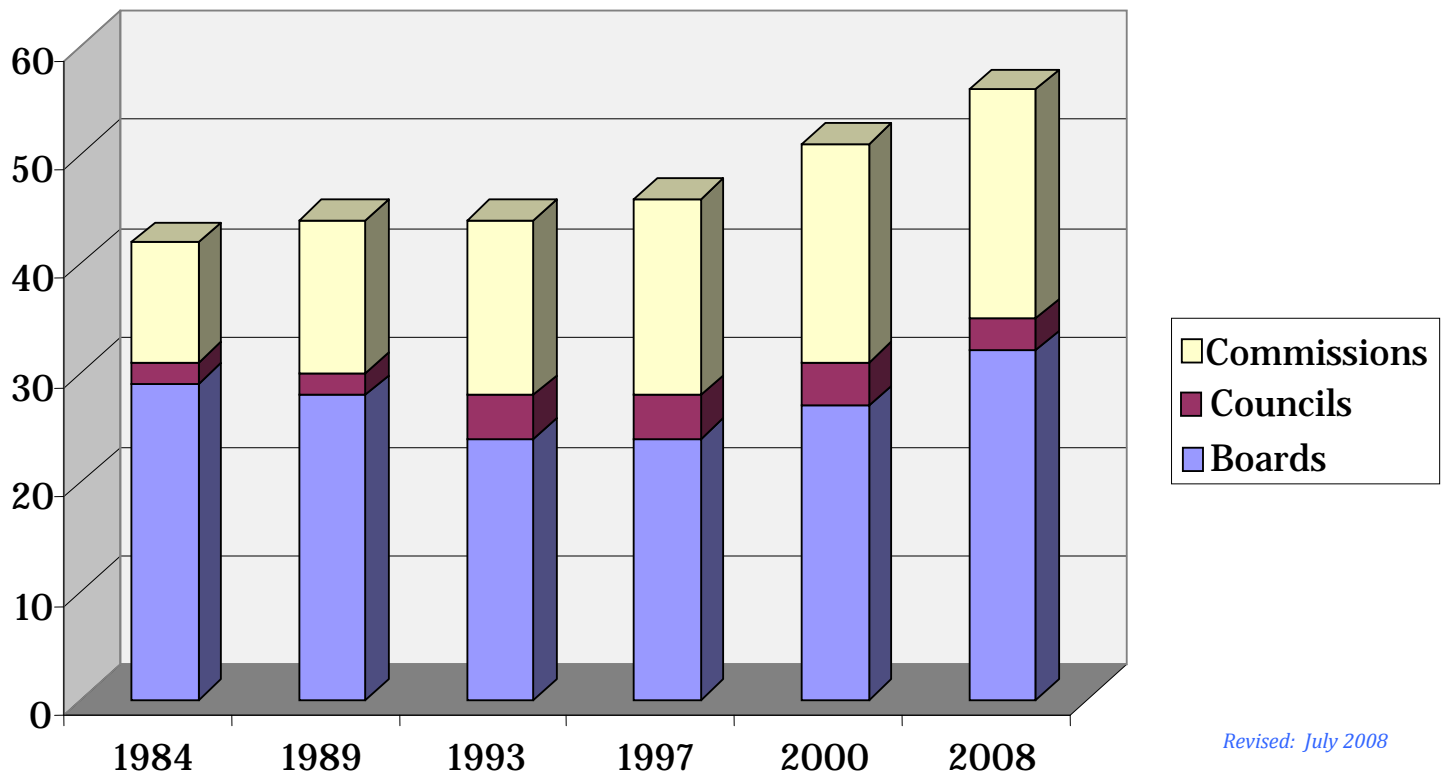
ALLOCATION OF MARKETING PROGRAM EXPENDITURES FOR 2013 (In \$Millions)



**CALIFORNIA MARKETING PROGRAMS & ACTIVITIES,
YEAR OF ORIGIN**

Program	Current Activities	Year Started		Program	Current Activities	Year Started
Alfalfa Seed Production Board	Research	1973		Pear	Promotion, Research, Quality Standards	1992
Apple Commission	Promotion, Research	1994		Pepper Commission	Research	1988
Artichokes - Globe Board	Promotion	1960		Pistachio Research	Research	2007
Asparagus Commission	Promotion, Research	1990		Potato	Research	1974
Avocado Commission	Promotion, Research	1978		Dried Plum (Prune)	Promotion, Research	1947
Dry Bean Board	Promotion, Research	1970		Raisin	Promotion, Research	1998
Beef Council	Promotion, Research	1957		Rice Commission	Promotion	1999
Blueberry Commission	Promotion, Research	2009		Rice Research	Research, Weather Data Dissemination	1969
Buy California Mkt. Agreement	Promotion	2001		Salmon Council	Promotion, Research	1989
Cantaloupe Board	Promotion, Quality Standards	1988		Sea Urchin Commission	Promotion, Research	2004
Fresh Carrot Board	Promotion, Research	1987		Sheep Commission	Promotion	1999
Celery Board	Research	1976		Strawberries - Processing	Research, Quality Standards, Unfair Trade Practices	1960
Cherry Board	Promotion, Research	1993		Strawberry Commission	Promotion, Research	1994
Citrus Research Board	Research	1968		Tomato - Processing	Quality Standards	1987
Citrus Nursery Board	Research, Education	2005		Walnut Commission	Promotion, Research	1987
Dairy Council	Promotion, Education, Research	1945		Wheat Commission	Promotion, Research	1983
Date Commission	Promotion, Research	1995		Wild Rice	Promotion, Research	1986
Dried Fig Board	Promotion, Research, Quality Standards, Substandard Pools	1944		Winegrape Inspection	Inspection	2005
Cut Flower Commission	Promotion, Research, shipping methods	1990		Lake Co. Winegrape Commission	Promotion, Research	1991
Garlic & Onion Dehydrators Bd.	Quality Standards	1999		Lodi Winegrape Commission	Promotion, Research	1991
Garlic & Onion Research Bd.	Research	2005		Sonoma Winegrape Commission	Promotion, Research	2006
Grape Rootstock Commission	Research	1993				
Table Grape Commission	Promotion, Research	1968				
Leafy Green Mkt. Agreement	Inspection, Unfair Trade Practices	2007				
Leafy Greens Research Board	Research	1973				
Melon Board	Research	1972				
Fluid Milk Processor Board	Promotion	1993				
Manufacturing Milk Board	Promotion, Research	1970				
Market Milk Board	Promotion, Research	1969				
Processing Cling Peaches	Promotion, Research	1996				
Olive Oil Commission	Grade and Labeling Standards, Inspection, Education	2014				

California Marketing Programs 1984 through 2008



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FOR ADDITIONAL INFORMATION CONTACT:

California Department of Food and Agriculture
The Marketing Branch
Robert Maxie, Chief
1220 N Street
Sacramento, CA 95814

Phone (916) 900-5018
Fax (916) 900-5019

www.cdfa.ca.gov/mkt/mkt