



CALIFORNIA MARKETING PROGRAMS

What are they?

Marketing programs provide agricultural producers and handlers an organizational structure—operating under government sanction—that allows them to address production and marketing challenges and opportunities collectively that they could not address individually. Current marketing programs’ activities include commodity promotion, research, maintenance of quality standards and regulation of unfair trade practices. Some of the programs carry out all three authorized activities while others carry out only one or two, depending on the needs of its respective industry. While an authorized activity, none involve volume control. In addition, the programs are specifically prohibited by law from establishing cooperative pricing.

The programs are authorized under the California Marketing Act of 1937 as well as other sections of statute in the Food and Agricultural Code. These same laws require the California Department of Food and Agriculture to 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 most 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 and who benefits?

Activities of the 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 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, producers and handlers because marketing programs help stabilize market forces, providing an environment that fosters an abundant supply of affordable, high-quality food, fiber and material.



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California is, by far, the No.1 agricultural producer and exporter in the United States. No other state in the union even comes close. In 2007, the farm-gate value of agricultural commodities covered by a state marketing program was approximately \$23.3 billion; representing 64 percent of California's \$36.6 billion agricultural industry.

The state is unique among the major agricultural regions in the world. Most notably, California has the right mix of climate and infrastructure, which is complemented by the agricultural industry's 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 1800s, California farmers increased production to serve rapidly expanding eastern U.S. markets. By the 1930s, 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 the state's 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 allowed producers and handlers of commodities to work together in solving some of the agricultural industry's greatest challenges.

Since its creation, the 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 and who pays?

Today, there are 55 active state marketing programs representing more than 40 agricultural commodities. Of those programs:

- **Marketing orders** (commonly known as **advisory boards**) are the largest group with 29.
- **Marketing agreements** operating under the marketing act number four.
- **Commissions** account for 19 programs.
- **Councils** operating under individual enabling legislation total three.



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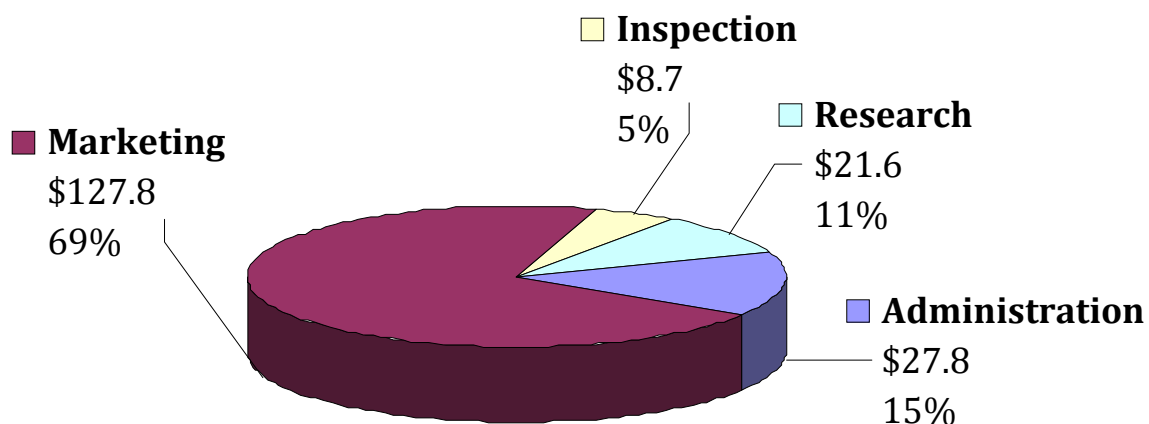
Marketing programs are entirely self-supporting. The industry pays operating costs, including the costs of government oversight. There are no subsidy payments to producers or handlers from general state tax sources and no general tax funds are used to support marketing program operations. Although only 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 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, 2009



\$186 Million

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PROGRAM	CURRENT ACTIVITIES	YEAR ESTABLISHED	Program	CURRENT ACTIVITIES	YEAR ESTABLISHED
Alfalfa Seed Production	Research	1973	Processing Cling Peaches	Promotion, Research	1996
Apple Commission	Promotion, Research	1994	Pear	Promotion, Research, Quality Standards	1992
Artichokes – Globe	Promotion	1960	Pepper Commission	Research	1988
Asparagus Commission	Promotion, Research	1990	Pistachio Marketing Agreement	Unfair Trade Practices	2007
Avocado Commission	Promotion, Research	1978	Pistachio Research	Research	2007
Dry Bean	Promotion, Research	1970	Plum	Promotion, Research, Inspection, Unfair Trade Practices	1994
Beef Council	Promotion, Research	1957	Potato	Research	1974
Buy California	Promotion	2001	Dried Plum (Prune)	Promotion, Research	1947
Cantaloupe	Promotion, Quality Standards	1988	Raisin	Promotion, Research	1998
Fresh Carrot	Promotion, Research	1987	Rice Commission	Promotion	1999
Celery	Research	1976	Rice Research	Research, Weather Data Dissemination	1969
Cherry	Promotion, Research	1993	Salmon Council	Promotion, Research	1989
Citrus	Research	1968	Sea Urchin Commission	Promotion, Research	2004
Citrus Nursery	Research, Education	2005	Sheep Commission	Promotion	1999
Dairy Council	Promotion, Education, Research	1945	Strawberries – Processing	Research, Quality Standards, Unfair Trade Practices	1960
Date Commission	Promotion, Research	1995	Strawberry Commission	Promotion, Research	1994
Dried Figs	Promotion, Research, Quality Standards, Substandard Pools	1944	Tomato – Processing	Quality Standards	1987
Cut Flower Commission	Promotion, Research, shipping methods	1990	Treefruit	Promotion, Research, Inspection, Unfair Trade Practices	2006
Garlic & Onion Dehydrators	Quality Standards	1999	Walnut Commission	Promotion	1987
Garlic & Onion	Research	2005	Wheat Commission	Promotion, Research	1983
Grape Rootstock Commission	Research	1993	Wild Rice	Promotion, Research	1986
Table Grape Commission	Promotion, Research	1968	Winegrape Inspection	Inspection	2005
Kiwifruit Commission	Promotion, Research	1980	Lake County Winegrape Commission	Promotion, Research	1991
Leafy Green Products	Inspection, Unfair Trade Practices	2007	Lodi-Woodbridge Winegrape Commission	Promotion, Research	1991
Lettuce/Leafy Greens	Research	1973	Mendocino County Winegrape and Wine Commission	Promotion, Research	2006
Melon	Research	1972	Sonoma County Winegrape Commission	Promotion, Research	2006
Fluid Milk and Dairy Products	Promotion	1993			
Manufacturing Milk and Dairy Products	Promotion, Research	1970			
Market Milk and Dairy Products	Promotion, Research	1969			
Olive Oil Commission	Grade and Labeling Standards, Research	2014			