



## Specialty Crops



# Marketing Orders and Agreements

## What are Marketing Orders?

Marketing orders are industry-driven programs that help specialty crops producers and handlers achieve marketing success. By working together, industry members leverage their own funds to design and execute programs that they would not be able to do as individuals. These programs operate on the local to national scale to:

1. Provide a comprehensive set of tools to build markets
2. Drive increased demand by consumers
3. Improve returns to producers

Marketing orders are approved by producers and regulate handlers to assure compliance with all requirements. USDA's Agricultural Marketing Service (AMS) currently administers specialty crop marketing orders, each custom tailored to address the needs of their respective industries.

## Tools in a Specialty Crops Marketing Order Toolbox

Marketing orders may include any of the following tools for use by industries:

**Promotion and Advertising:** Authorizes generic promotion of the agricultural commodity to build demand in domestic and/or export markets.

**Research and Development:** Permits the industry to conduct production and marketing research and development projects to reduce costs, improve yields, streamline product distribution, and boost trade and consumer demand.

**Quality Regulation:** Imposes mandatory minimum standards on products shipped in order to prevent inferior quality product from depressing the market for the whole crop, assure customer satisfaction, and drive increasing consumer repurchase.

**Import Regulation:** Imposes comparable quality regulations on authorized imported commodities to assure a consistently high quality product moving into the marketplace.

### **What are Marketing Agreements?**

Marketing agreements provide the same regulatory tools that are available under marketing orders. The key difference between marketing agreements and marketing orders is that agreements are voluntarily entered into by handlers. Marketing order regulations, which must be followed by handlers, are enforced after producers vote in a referendum. Once a handler signs an agreement, compliance with the agreement's provisions becomes mandatory.

### **Who Manages Specialty Crops Marketing Orders or Agreements?**

Local administrative committees and boards manage the day-to-day operations of their marketing orders or agreements under the oversight of the AMS. Committees and boards are comprised of producers, handlers, and public members selected by USDA from industry nominations. USDA's role ensures that the programs are operating in accordance with law (the Agricultural Marketing Agreement Act of 1937) and are adhering to agency policies. Additionally, USDA facilitates the process when committees and boards amend their orders or agreements to meet the needs of the produce industry's global marketplace. Administrative committee and board programs are funded by assessments paid by participating handlers.

### **How Do You Start up a Specialty Crops Marketing Order or Agreement?**

The process begins with an industry or commodity group contacting the USDA-AMS Market Development Division (MDD) at one of its four offices listed below. MDD works with the industry to develop the proposal for a new marketing order or agreement. Public hearings are conducted, followed by a proposed program and final decision by USDA. For a marketing order, producers must vote in a referendum to implement the program. For an agreement, handler signatures to the agreement bring it into effect. The process to formulate a new marketing order or agreement generally takes 18 to 24 months. This process allows for a transparent and participatory process, which results in industry cohesion, feedback, and input throughout the process.

For more information visit our website at [www.ams.usda.gov/moa](http://www.ams.usda.gov/moa) or phone (202) 720-8085.