

Specialty Crops Program



Marketing Orders and Agreements

Marketing orders are industry-driven programs that help specialty crop producers and handlers achieve marketing success. By working together, industry members leverage their own funds to design and conduct locally managed programs that they would not be able to do individually. These programs operate on the local to regional scale to:

1. Build market demand
2. Increase product awareness among consumers
3. Enhance product quality
4. Improve financial returns to producers

The U.S. produce industry, along with the U.S. milk industry, are the only industries with legal authority to combine resources in this way to overcome marketing barriers and boost the economic well-being of their industry. Marketing orders focus on regional and local issues and are approved by producers and regulate handlers to assure compliance with all requirements. USDA's Agricultural Marketing Service (AMS) administers specialty crop marketing orders which are customized to address their respective industries.

What are Marketing Agreements?

Marketing agreements provide the same regulatory tools available under marketing orders. The key difference 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?

Committees and boards are composed of producers, handlers and public members, selected by USDA from industry nominations, who hire staff to manage the day-to-day operations. AMS policy is that diversity of the boards, councils and committees they oversee should reflect the diversity of their industry in terms of the experience of members, methods of production and distribution, marketing strategies and other distinguishing factors, including but not limited to individuals from historically underserved communities, to bring different ideas and perspectives.

What is the Role of USDA?

USDA's role ensures that the programs are operating in accordance with law (the Agricultural Marketing Agreement Act of 1937) and adhering to agency policies. Additionally, USDA facilitates the process when committees and boards amend their marketing orders or agreements to meet the needs of the produce industry's global marketplace. Administrative committee and board operations are funded by mandatory assessments.

How Do You Start 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 offices listed on the website below. MDD works with the industry to develop the proposal for the new marketing order or agreement. USDA then conducts a public hearing and a vote among affected producers. 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.

Authorities in the Specialty Crop Marketing Order "Toolbox"

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

- **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. Marketing orders can require mandatory grading on product leaving the production area and standards on products shipped 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 certain imported commodities to assure a consistently high quality product moving into the marketplace.
- **Volume Control:** Sets the seasonal amount of product placed in commercial channels, thus avoiding drastic changes in market prices.

For more information visit our website at www.ams.usda.gov/rules-regulations/moa/fv or phone (202) 720-8085.

