Contents

Summary ................................................................. iii
Introduction ............................................................. 1
Marketing Orders ....................................................... 2
  Background .......................................................... 2
  Structure and Activities ........................................... 3
  Assessment of Marketing Orders ................................. 5
Research and Promotion Programs ................................ 7
  Structure and Activities ........................................... 7
  Checkoff Program Economics and Evaluation ................... 8
  Consumers .......................................................... 9
  Legislative Developments ......................................... 10
The Programs in a Broader Context ................................. 11
  Budget Implications ............................................... 11
  Marketing Orders and Traditional Farm Programs ............. 12
  Market Solutions versus Government Intervention ............ 12
  Compatibility with Industrialization of Agriculture ........... 13
  Compatibility with Globalization and Trade Liberalization ..... 13
Farm Bill Issues and Policy Options ............................... 13
References ............................................................. 14
Glossary ............................................................... 15
Appendix: Economics of a Market Allocation ....................... 17

List of Appendix Figures

Figure 1—Effect of price discrimination by a marketing order .... 17
Figure 2—Effect of a quality (grade) standard by a marketing order . 18
Figure 3—Effects of an increase in consumer demand on farmer
  and processor demand, price, and quantity ....................... 18
Figure 4—Effects of an increase in processor efficiency on
  farmer and processor demand, price, and quantity ............... 19

List of Appendix Tables

Table 1—Selected characteristics of Federal marketing orders .... 20
Table 2—Federal milk orders in effect on December 31, 1993, with
  number assigned each order in the code of Federal regulations and
  date on which each order became effective ....................... 22
Table 3—Research and promotion programs authorized by
  individual statutes .................................................. 25
Table 4—Selected characteristics of Federal research and
  promotion programs .................................................. 30
Table 5—Commodity research and promotion program expenditures
  by category ........................................................... 31
Table 6—Federal checkoff and marketing order commodities promoted
  under FAS market development programs, 1989-93 ................ 33
Table 7—Econometric studies of the effectiveness of nonprice export
  market promotions ................................................... 34