



Good day everyone.

My name is Kelly Robertson and I am a Marketing Specialist with the Specialty Crop Research and Promotion Programs with the Market Development Division of USDA's Agricultural Marketing Service. I've been with AMS for 15 years now. When I started we were the Fruit and vegetable programs and I was a legal examiner with the Perishable Agricultural Commodities Act Division, known as PACA. About 11 years ago I moved over to the Marketing order and Agreement Division to work as a Compliance Specialist

National Research and Promotion Programs

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For the last 7 years I've been a Marketing Specialist with Research and Promotion Programs. My family has been farming in some capacity or another for over 400 years. I live in a farming community a My degrees are in Public administration and Business. My goal is to help farmers make the most of the programs USDA has to offer.

AMS Programs:

Specialty Crops	National Organic Program
Livestock & Poultry	Federal Grain Inspection Program
Cotton & Tobacco	Transportation and Marketing
Dairy	Science and Technology

Available Services Include:

- Quality Grading & Inspection
- Standards
- Market News
- Commodity Purchasing
- Marketing Orders and Agreements
- Research and Promotion Programs

- I imagine that most of you are familiar with at least some of the services USDA provides via AMS.
- We are a marketing agency comprised of 5,000 employees - creating new opportunities and improving returns to farmers.
- Our focus is on providing resources to support your businesses through out the entire marketing chain
- Generally, our programs are based on a user fee model, they are not taxpayer funded, the folks who come to us for services pay for those services
- This is important because it effects the culture - - customer service

Research & Promotion Programs (Check-Offs)



- Research and Promotion Programs are also known as Check-Offs. This is derived from historical programs that were not mandatory, so producers would check a box if they wished to participate or not.
- AMS currently oversees 22 R&P Boards.
- The Market and Development Division, who again works with the Specialty Crops programs, currently oversees 13 programs.

The Goal of R&P Programs

To maintain and expand domestic and foreign markets for agricultural commodities

- Coming together for the benefit of all stakeholders. Promoting a whole commodity rather than specific brands or company.
- All Federal R&P programs are mandatory. Exemptions beyond the organic rule exist and that's something we'll discuss a little later.
- Oldest Program – Cotton 1966; Newest program – American Pecans which went into affect early last year.

Overview

- USDA delegated oversight authority by Congress
- Formed at the request of industry
- Funded by industry assessments
- Producer, handler, processor, manufacturer or others in the marketing chain, and, in some cases, importer participants

R&P Program Annual Assessment Revenue- 2021

Commodity	2021 Assessments*	Year Implemented	Commodity	2021 Assessments*	Year Implemented
Dairy	\$353.4	1984	Peanuts	\$9.7	1999
Soybeans	\$88.4	1991	Mangoes	\$8.3	2005
Pork	\$85.7	1986	Honey	\$7.0	2008
Fluid Milk	\$80.0	1993	Sorghum	\$6.7	2008
Cotton	\$78.4	1966	Mushrooms	\$5.0	1993
Hass Avocados	\$72.5	2002	Watermelons	\$3.3	1990
Beef	\$41.8	1986	Lamb	\$1.9	2002
Eggs	\$23.7	1976	Christmas Trees	\$1.7	2014
Paper & Packaging	\$22.0	2014	Popcorn	\$0.6	1997
Softwood Lumber	\$17.5	2011	American Pecans	--	2021
Potatoes	\$14.4	1972			
Blueberries	\$10.8	2000			
			Total	\$932.7	

* 2021 Estimated Collections

Authority

Federal Regulation:

- Commodity Promotion, Research and Information Act of 1996 (Generic Act)
 - 10 R&P Programs fall under the Generic Act
- Individual Statute Specific to the Commodity (such as the Hass Avocado Promotion, Research and Information Act)
 - 12 Programs have their own statutes
- 7 CFR Chapter XI - Orders

Generic Legislation (10) – peanuts, lamb, blueberries, mangos, sorghum, honey, Christmas trees, paper & packaging, and softwood lumber, and Pecans
Industry specific (12) – beef, cotton, dairy, eggs, fluid milk, Hass avocados, mushrooms, popcorn, pork, potatoes, soybeans, and watermelons
All programs have Orders or if they are an older program it may be called a Plan, which provide further details of the programs. The Orders are published in the Code of Federal Regulations

Creating a Check-Off Program: Industry Steps

- Clarify goals of the Program
- Garner industry consensus
- Develop proposal and justification
- Submit proposal to USDA

- The first step is to assure the commodity group understands and agrees with what the goals of the program are going to be—what is the focus or biggest challenge for this industry in terms of marketing?
- Industry consensus is essential. USDA will not move forward with a proposal if it does not have industry consensus. It is our experience that if the industry is not in agreement the program will not pass a referendum and everyone's time, effort and money will be wasted.
- When preparing to submit a proposal, we ask industry to work with us. We can provide guidance and give preliminary input about what works and what does not work.

Key Decisions

- Who will pay assessments and how much?
- What types of activities will be conducted?
- How will the Board be structured?

With regard to assessments, industry needs to decide what will be assessed and how it will be assessed (value, some type of volume measure)

At what level will they be assessed on the domestic side—producer, handler. And whether to assess imports.

Boards vary in size from 5 members to over 170. Within Boards are various Committees and the function and authority of these committees vary greatly across programs.

Key Decisions (continued)

- Will small entities be exempt from payment?
- How will a referendum be conducted?
 - Up-front or Delayed?
 - Voting by Number, Volume or Both?



Creating a Check-Off Program: USDA Steps

- Meet with industry to discuss proposal; analyze completeness of proposal
- Publish proposal for comments
- Analyze comments; publish final proposal and referendum procedures
- Conduct referendum (if up-front)
- Appointment of Board members

Completeness includes submitting a justification for the program and also a proposed order that includes the requirements set out in the statute, which generally include the assessment rate, the board structure, and how a referendum will be conducted.

A proposal is published to allow industry members to analyze the details of the proposed program.

USDA will analyze all comments received and a final proposal with changes (if needed) will be published at the same time as the referendum procedures if the industry decides to have an upfront referendum.

Appointments

- Nomination process developed by industry
- Voluntary/not paid positions
- All segments represented
- 3-year terms

You all decide how you want to pick Board leadership. Do you have a caucus , individual votes, take it to committee?

These positions are filled on a voluntary bases. The Department likes to see multiple volunteers applying for these positions to show the industry support of the R & P . The R&P will reimburse or pay upfront for Board travel to and from meetings and other board sanctioned events.

If you pay you play. So if you're assessing importers they are on the Board. If you are assessing handlers they are on the Board

Role of the Board

- Select officers and design committee structure
- Administer the program; hire staff
- Develop strategic plan
- Align programs and funding with strategic plan
- Develop and implement plans, projects, budgets, contracts, bylaws, policies



Board structure varies greatly with committees varying based on goals. Staff can be contractors or actual W2 employees.

Develop a strategic plan and continually refine it. Some R&P's do this on a regular basis and some have a special meeting every 5 years.

Your AMS Marketing Specialist will work with the board and its staff to make sure the marketing plan aligns with the budget. That projects are staying focused on what the industry has decided upon. AMS reviews all materials.

Role of USDA

- Oversight
- Review and approve budgets and programs
- Rulemaking and referendum activities
- Appointment of Board members
- Compliance activities

- Oversight is meant to watch over the funds utilized and communications and information being delivered by the program.
- AMS reviews all of a Board's marketing communications, which includes research, advertisements, consumer information, and social media content, and approves those in compliance with the applicable legislative authority and USDA policy.
- When analyzing, AMS considers whether content is truthful, accurate, not misleading, and substantiated. AMS ensures that communications are in compliance with Food and Drug Administration (FDA) and Federal Trade Commission (FTC) requirements. Generally, FDA has primary responsibility for claims made in food labeling and the FTC has primary responsibility for claims made in other forms of advertising and marketing.
- Creative decisions on marketing and direction of research is all in the hands of the Board itself. This is not USDA's program it is yours. We are only here to facilitate it.

Cost

User Fee

- Agricultural Marketing Service
 - 1-4% of annual budget
- Office of the General Counsel
- U.S. Customs Service (if imports are assessed)

Promulgation Costs

- Referendum Bond - \$80-150k
- Escrow Account- must hold 10% of Assessment Revenue

Prohibited Activities

- Any action that would be a conflict of interest
- Promotions must be generic and not disparage another agricultural commodity
- Using funds to lobby/influence government decisions
- Not a “pass through” to fund other organizations

- Board staff and members are both expected to adhere to these rules

Timeline

- Depends
 - Proposal, Justification
- American Pecan Promotion Board ~ 18 months from 1st Proposal

- Depends because of the back and forth on the documents.
- Pecans was roughly 18 months from first proposal to effective date

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<http://www.ams.usda.gov/rules-regulations/research-promotion>