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TURKEY MARKETING ORDERS AND REGULATION

By R. B. Wilson

"A Realistic Appraisal of the Facts"

A national turkey marketing order will probably be drafted in the near future. A marketing order provides rules and regulations for selling a farm commodity. It is a type of government regulation approved for a given market by a majority of the people in that market. There is much uncertainty about what might be in an order.

The Agricultural Act of 1961 has been passed and with respect to marketing orders the legislative outcome, according to the National Turkey Federation "was simply to add turkeys and turkey hatching eggs to the list of commodities in the Agricultural Marketing Agreements Act of 1937". This act is the basic legislation authorizing federal marketing orders.

Turkey producers are being told the Agricultural Act of 1961 does not and could not provide for direct quota controls of the number of turkeys a farmer may produce and that it doesn't provide for any restriction on the number of hatching eggs a farmer may produce. Therefore, they are told, it is an error to increase production "to give us a bigger base when we get production quotas".

Technically, it is correct to say that direct production quota control of the number of turkeys a farmer may produce is not provided for in the Agricultural Act of 1961, and that it doesn't provide for restrictions on the number of hatching eggs a farmer may produce. But, control of the number of turkeys or the number of hatching eggs marketed could result from a turkey marketing order, depending upon how it is written, and restrictions on the marketing of turkeys can have about the same effect on producers as production quotas.

In the attached sheet are several paragraphs from the Agricultural Marketing Agreement Act of 1937 listing terms and conditions, one or more of which could be in a marketing order. Only some of those that might be applicable to a turkey marketing order are listed).

Section (A) provides for limiting the quantity of product which may be marketed by handlers.

Section (B) provides for allotting the amount of a product which each handler may buy or handle under a uniform rule based upon the amounts sold by producers in a prior period, or upon the current quantities available for sale by such producers, or both, to the end that the total quantity thereof to be purchased, or handled during any specified period or periods shall be apportioned equitably among producers.

Section (C) provides for allotting the amount of a product which each handler may market under a uniform rule based upon the amounts which each such handler has available for current shipment, or upon the amounts shipped by each handler in a prior period or both, to the end that the total quantity

of product marketed shall be equitably apportioned among all of the handlers thereof.

Much depends upon the way the marketing order is written as to what the controls will be and how they will be implemented. For example, who shall be designated as a handler of market turkeys? Probably the first processor would be designated as a handler. But in any event, it should be remembered that there is more than one way to skin a cat, and there is more than one way to control the amount of turkeys marketed under a turkey marketing order even if the controls aren't called production quotas. And while these controls may not technically be production quotas, they can have the same effect.

#### PASSED BACK TO PRODUCER

While the regulation will fall upon the handler and the amount marketed instead of on the amount produced, if restriction is involved, it will be passed back to the producer in some more or less equitable fashion -- probably based on his production during a base period.

While the present marketing order enabling legislation doesn't provide for direct production quota controls of the number of turkeys or of hatching eggs a farmer can produce, it does provide machinery under which the industry can develop marketing orders that, if voted, it could:

- (1) regulate the supply of market turkeys and turkey hatching eggs marketed,
- (2) regulate the flow of turkeys and eggs to market,
- (3) establish minimum grade and quality standards for products marketed,
- (4) establish surplus and diversion programs and/or
- (5) establish marketing research and development projects.

As was pointed out in the March, 1961, issue of "Turkey Producer", one must be careful in generalizing on marketing orders. Orders are "tailored" for certain conditions and vary in their administration. Orders have assured themselves a place in our market picture. They have been rather well received. Their widespread use to control production, quality, or price, of most important Midwest commodities is doubtful.

They have worked much better on markets where supplies have tended to be localized. Specialty crops and milk both conform to this. Their price raising effects have been limited. In fact, this has not been their basic purpose. Orderly marketing is their first objective. Thus, marketing orders may do a needed job in parts of the farm problems, but they are not a cure all.

Now is the time to see that your interests are protected. The pressure is on for a turkey marketing order.

EXTRACTS FROM AGRICULTURAL MARKETING  
AGREEMENT ACT OF 1937

(6) Other commodities; terms and conditions of orders.

In the case of the agricultural commodities and the products thereof, other than milk and its products, specified in subsection (2) of this section, orders issued pursuant to this section shall contain one or more of the following terms and conditions and (except as provided in subsection (7) of this section); no others:

(A) Limiting, or providing methods for the limitations of, the total quantity of any such commodity or product, or of any grade, size, or quality thereof, produced during any specified period or periods, which may be marketed in or transported to any or all markets in the current of interstate or foreign commerce or so as directly to burden, obstruct, or affect interstate or foreign commerce in such commodity or product thereof, during any specified period or periods by all handlers thereof.

(B) Allotting, or providing methods for allotting, the amount of such commodity or product, or any grade, size, or quality thereof, which each handler may purchase from or handle on behalf of any and all producers thereof, during any specified period or periods, under a uniform rule based upon the amounts sold by such producers in such prior period as the Secretary determines to be representative, or upon the current quantities available for sale by such producers, or both, to the end that the total quantity thereof to be purchased, or handled during any specified period or periods shall be apportioned equitably among producers.

(C) Allotting, or providing methods for allotting, the amount of any such commodity or product or any grade, size, or quality thereof, which each handler may market in or transport to any or all markets in the current of interstate or foreign commerce or so as directly to burden, obstruct or affect interstate or foreign commerce in such commodity or product thereof, under a uniform rule based upon the amounts which each such handler has available for current shipment, or upon the amounts shipped by each such handler in such prior period as the Secretary determines to be representative, or both, to the end that the total quantity of such commodity or product, or any grade, size, or quality thereof, to be marketed in or transported to any or all markets in the current of interstate or foreign commerce or so as directly to burden, obstruct, or affect interstate or foreign commerce in such commodity or product thereof, during any specified period or periods shall be equitably apportioned among all of the handlers thereof.

(D) Determining, or providing methods for determining, the existence and extent of the surplus of any such commodity or product, or of any grade, size, or quality thereof, and providing for the control and disposition of such surplus, and for equalizing the burden of such surplus elimination or control among the producers and handlers thereof.

(E) Establishing or providing for the establishment of reserve pools of any such commodity or product, or of any grade, size, or quality thereof, and providing for the equitable distribution of the net return derived from the sale thereof among the persons beneficially interested therein.

(F) Requiring or providing for the requirement of inspection of any such commodity or product produced during specified periods and marketed by handlers.

(I) Establishing or providing for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of any such commodity or product, the expense of such projects to be paid from funds collected pursuant to the marketing order.