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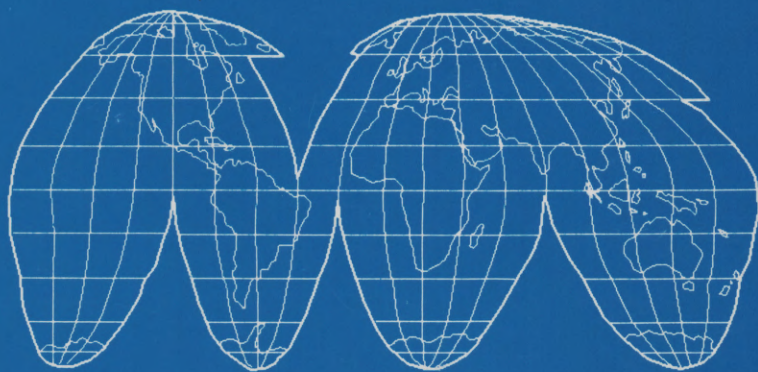
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Commodity Promotion Policy

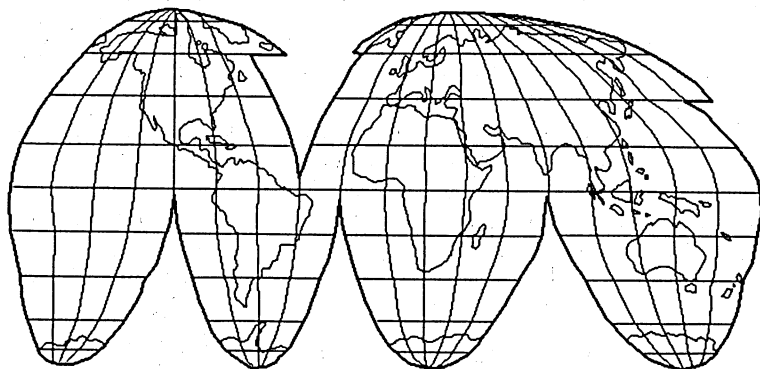


in a
**Global
Economy**

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Commodity Promotion Policy



in a **Global Economy**

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DISCUSSION SUMMARY: EVOLVING CHALLENGES FOR COMMODITY PROMOTION PROGRAMS

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Following their formal presentations, the presenters were questioned about some specific challenges confronting commodity promotion organizations. Among these were: declining "real" budgets, the impacts of production increases, data collection and dissemination, and policy linkages.

The presenters were asked how "downsizing" is being managed, given the fact that check-off levels tend to remain fixed over time (e.g., the national dairy check-off has remained at 15 cents/hundred-weight since 1983). One participant asked how to manage the "planning gap" (growing dairy surpluses), given that producers were increasing production. Cynthia Carson responded that, despite the perception that the dairy program has lots of money, resources are becoming increasingly scarce. This creates allocation problems: how to divide a shrinking real budget among worthy alternatives. One challenge created by increasing milk supplies is the development of new uses for dairy products. Another possibility is more aggressive pursuit of export markets, an area in which the dairy industry is lagging the beef and cotton industries. Dean Turner responded that, for Cotton Incorporated, which does trade servicing and technical assistance programs in overseas markets, dealing with a static \$20 million budget is an ongoing problem.

The next questioner wanted to know: "How can we move toward a system of systematic data collection?" Carson responded that, when there is a need, one can usually get the information. The challenge is for the researcher to communicate the benefits: what is the payoff, especially for the commodity organization, for collecting the data? Turner responded that cotton has a well-established data base.

Following this, a conference participant commented that there may be a "downside" to giving out information, and this is something some organizations are, rightly, concerned about. Another participant expressed the opinion that researchers are too fussy about data purity. Yet another participant put the onus of data collection on researchers and the government, saying that more public

resources should be devoted to data collection, especially on foreign market consumers. Lastly, it was suggested that data collection should go beyond numbers to include strategies used by the promotion entities.

The final question concerned coordination within industries, and policy linkages. The questioner cited the critical nature of export credits in expanding exports to the former Soviet Union. Turner responded that such coordination is indeed critical; export subsidies by other countries create an uneven playing field. Successful promotion of U.S. cotton in overseas markets requires that we be price competitive.