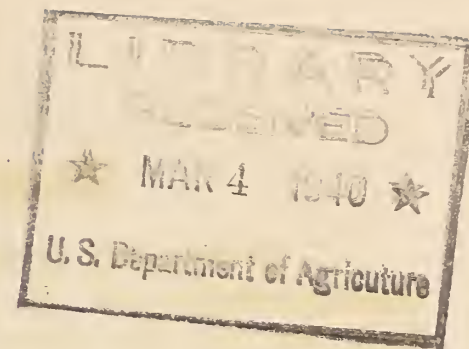


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service



THE AGRICULTURAL MARKETING SERVICE
AND
SOUTHERN AGRICULTURE

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Address, Annual Meeting, Association of Southern Agricultural Workers,
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A relatively few years ago, the attention of the Department of Agriculture was devoted almost entirely to the factors of production. New lands were being developed, and research on a broad scale was moving forward to find ways and means of increasing the output of the farm. This was as it should be, for in the face of a rapidly increasing population, a comparable increase in production was a vital necessity. The Department of Agriculture is still interested in seeing production economically expanded, but at the same time it is realized that our wealth in soil fertility and human resources must not be squandered in the process.

Though major emphasis in the early days of the Department was on the production phases of agriculture, it is probable that even then marketing problems reached serious proportions. The further development of the country and the growth of industrial centers far from producing areas led to greater complexities in the distributing process. Farmers found themselves more and more dependent upon facts relating to production in competing areas, and upon news of market conditions in the distant cities. With the increasing importance of large-scale distributors and dealers and the growth of the transportation system, besides other factors all tending toward an increasingly complicated distributive machinery for farm products, various regulatory laws became an absolute necessity.

Congress recognized these conditions in 1913 when the first appropriation became available for the specific purpose of starting the Department of Agriculture in the general field of marketing. This entry of the Federal Government in marketing work came about largely as the result of accumulated requests of the various branches of the agricultural industry. Following the establishment of the Office of Markets in 1913, subsequent appropriations provided funds for continuing and expanding the work, though the over-all organizations in charge of marketing underwent drastic changes.

The Office of Markets, for example, became the Bureau of Markets in 1917. In 1921, the crop-estimating work of the Department was combined with the Bureau of Markets, and for a year the combined organization was known as the Bureau of Markets and Crop Estimates. In 1922, this Bureau was merged with the Office of Farm Management and Farm Economics, the enlarged organization becoming the Bureau of Agricultural Economics.

The Agricultural Marketing Service Organized

In October 1938 Secretary of Agriculture Wallace announced a plan of reorganization of the Department of Agriculture. A part of this reorganization was for the purpose of integrating various types of marketing work in such a way that the same concentrated attention may be given to marketing as is devoted to production and conservation. In the reorganization process, a new Bureau was created--the Agricultural Marketing Service--to carry on a number of closely related service and regulatory activities formerly performed by four Bureaus. Legal sanction to the reorganization, that became effective July 1, 1939, was provided by the passage of the Agricultural Appropriations Act for 1940.

Although the Agricultural Marketing Service covers a broad field of activities, the many separate services performed may be grouped under a few general categories: the collection and publication of agricultural statistics; the reporting of current market information; standardization and inspection of agricultural products and related research and demonstration; and the administration of certain laws governing the relations of buyers and sellers of agricultural products. As in the past much of this work is being handled in close cooperation with State departments of agriculture and State agricultural colleges. There are about 280 cooperative agreements now in effect.

Since the basic activities of the Service are not new, I shall try to avoid going over ground with which you are already familiar. I shall limit my discussion today, as far as possible, to the newer developments in our marketing work, and to some of the activities we eventually hope to undertake.

Agricultural Statistics Requested by Many Groups

As production and marketing problems become more and more complex the solution of them becomes increasingly dependent upon basic economic data--accurate, timely statistics upon which to base successful production and marketing programs. The most important questions farmers, distributors, and business men have to answer are "how much?" and "how many?" These questions can be answered, of course, only by a comprehensive program of agricultural information.

We are already doing a great deal along this line. Current statistics are published for about 105 different crops, 6 major livestock species, poultry and eggs, and livestock products. Periodic reports are issued on wages and employment of farm labor and on prices received and paid by farmers. Additional reports cover the transportation, processing, storage, and other forms of pre-market handling of farm commodities. But this program, large as it is, does not completely meet the needs of many groups. We are requested to furnish more and more statistics, a great many of them of a highly specialized nature.

Southern truck-crop growers, as well as those in other parts of the country, complained that the production reports and news services furnished them were not adequate to meet their needs. Since their crops are highly perishable and are sold under highly competitive conditions, time is a very important factor in "catching the swing of the markets"; for, in many cases, a few days' delay in marketing these crops or in getting them to certain markets means the difference between reasonable profit and ruinous loss. Specific demands to speed up these reports also came from fruit and vegetable producers in the Northeast and Middle Atlantic States.

Production and News Program Started

To meet these requests, considerable progress has been made toward formulating a more practical and timely program of truck-crop estimates and news reports. Under this new program, started January 1 this year, semi-monthly truck-crop news releases and flash, or "spot" news reports, cover all important areas in each State. The semi-monthly reports emphasize news items pertaining to time of planting, acreage changes, progress of the crops during the growing season, probable time of harvest, time of peak shipments, rate of harvest and flow to market, quality of the crops, relative importance of rail and motor-truck shipments, and related matters.

Flash news reports relate to sudden damage to the crops from frosts, freezes, storms, and devastations of insects and disease. We expect information of this kind, when made quickly available for competing States, and for specific areas within States, to prove extremely valuable to growers and distributors in their marketing operations.

Various State offices of the Federal crop reporting service have arranged, or are planning to arrange, for a direct exchange of information on competing truck crops. The basic crop data are obtained by statisticians through field travel, by "contacts" with key growers and others, and from information furnished by representatives of the market news service. The trading of information is handled directly by the State offices concerned, and this news is incorporated in the State truck-crop releases. California growers, for example, may want news of the green pea crop in Mississippi; and Florida growers want to "keep up" with the movement of the California celery crop. These up-to-date news items exchanged among the States are included in the semi-monthly truck-crop news summaries issued from each State crop reporting office.

Acreage and production estimates are least affected by the new program. We expect to release the truck-crop estimates about 2 days earlier than the release dates scheduled last year. In addition, an extra mid-season forecast of production will be scheduled for a few crops.

Improving Crop Estimates

Though timeliness is very important in any crop-estimating program, accuracy is essential. A few years ago the Federal-State agricultural statistician had only the railroad train as his source of contact with areas of production and from which to observe the condition of growing crops. He went by train to some town in the heart of an important wheat- or cotton-growing area, and by horse-drawn vehicle, or on foot, he would inspect the growing crops.

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In the early 1920's these efforts were supplemented by counting--from train windows--the telegraph poles along the frontage of each field facing the railroad right-of-way.

Now the agricultural statistician inspects the important producing areas for any given crop in his State by automobile. He stops to check representative fields, to make careful observation of growing plants, filling heads of grain, or bursting bolls of cotton. As he travels he makes use of a "crop meter" attached to the speedometer cable of his car. In the Cotton Belt, he includes counts and measurements of cotton bolls in representative fields. In the Corn Belt, he counts and measures ears of corn. And he "cruises" through representative orchards and citrus groves.

These new techniques have proved their worth. The final December estimates of the cotton crop, for example, have varied from the final ginning figures prepared by the Bureau of the Census by an average of only 1 percent. The largest variation was in 1930 when the statisticians missed the crop by 2.2 percent. But they redeemed themselves in 1936 when their figures varied from the Census figures by only 1/10th of 1 percent. Recent-year comparisons, in particular, indicate that the cotton estimates of the Crop Reporting Board have been surprisingly accurate.

But with all of the improvements and new devices for measuring and checking plantings and production, the more than 600,000 voluntary farm reporters remain the backbone of the Department's crop reporting service. More than 200,000 of these reporters--most of whom are farmers--report regularly each month. These reporters serve in normal times and in times of catastrophe when special reports are needed. They continue to be the main source of information for individual or composite pictures of acreages, crop conditions, and production prospects.

Market News Disseminates the Facts

The collection of agricultural facts is only part of the job. Information can be of the most value only when it is promptly and widely disseminated to the groups who need it. The Agricultural Marketing Service maintains an extensive leased-wire system in order to provide current reports on supply and demand conditions at important terminal markets, shipping points, and producing sections the country over, for more than 100 agricultural commodities. About half of the Nation's radio stations regularly broadcast current market news compiled by our commodity reporters. Additional coverage is afforded by mailed reports, the daily and trade press, and by farm publications.

For fruits and vegetables, reports issued periodically summarize the marketing of individual crops in producing sections from which daily market information has been released. Special reports cover unloads in a number of the large receiving markets. Permanent market news offices covering these commodities daily are maintained in 21 receiving markets; and temporary field offices are set up in about 45 of the principal shipping sections. A large number of these temporary stations are set up throughout the South during the heavy shipping season. During the past year it also was found necessary to reopen the permanent office at New Orleans.

Market news on livestock was more or less "foreign" to most southern producers prior to last year. But now livestock-market information is available to large numbers of producers in the Southeast--from offices located at Thomasville, Ga., and Montgomery, Ala.--and to producers in Texas and adjoining States from an office opened at Houston, which supplements and expands the service supplied in that area through the Ft. Worth and San Antonio offices. The opening of the three southern offices recognizes the expanding need for placing this region in direct and timely contact with the leading livestock, meat, and wool market centers of the entire Nation. The popularity of this service, particularly in Georgia, Florida, and Alabama, is attested to by hundreds of letters of commendation received from farmers, dealers, packers, and others in those States.

Two principal tobacco market-news offices are maintained, one at Louisville; Ky., and the other at Raleigh, N. C. These offices are supplemented by temporary market-news offices set up at other points as needed during the marketing seasons for the various types of tobacco. Major changes in the tobacco market-news field the past 2 years have been toward expansion of the service in order to keep pace with the increase in number of markets where tobacco is being inspected for quality prior to sale. Daily and weekly reports are furnished to growers on the auction floors and are disseminated further by the press and radio. The current price reports are supplemented by season market reviews. The season reviews include average prices for each grade, market-average prices and pounds sold on each market, and statistics to show the percentage distribution of the crop according to quality factors.

Getting more usable information into the hands of cotton growers has always been a major objective of our cotton market-news work. The radio is making this increasingly possible. For approximately 40 weeks now, our cotton field offices have broadcast weekly radio programs, in dialogue form, on a wide variety of subjects dealing with the cotton and cottonseed industry. Subjects covered have included: Domestic and world consumption of cotton, uses of cotton, color in cotton, quality of the U. S. crop, getting the gin ready, marketing cottonseed on grade, progress of cotton classing, etc. Through arrangements made with one of the large press associations, cotton futures prices are flashed four times daily to radio stations throughout the Cotton Belt. A daily summary of cotton-market conditions, prepared after the close of the cotton markets, also is distributed in this way. This service, made through the cooperation of the news agency and scores of radio stations, has proved particularly useful to organized groups of farmers receiving free classification and market news under the Smith-Doxey Act. The commercial news and broadcasting agencies likewise are giving increasingly wider coverage to market and production news on tobacco, livestock, fruits, and vegetables. In this emphasis on radio we are not forgetting the need of reaching perhaps as large groups through the daily and weekly press, and by bulletins posted at gins and in other accessible places.

Standardization Promotes Orderly Marketing

This, shall I say, "sermon" on market news, leads to another broad phase of Agricultural Marketing Service work. As you know, most market prices are quoted on the basis of U. S. standards. From a beginning 25 years ago, persistent effort in the field of standardization has resulted in the adoption of uniform standards for more than 100 of the principal farm commodities. Although producer and distributor groups sometimes disagree on the advantages and the practicability of uniform national standards for quality and condition, the value of such standards is becoming more and more widely accepted.

Quality standards for farm products are in a continual process of evolution. Some of the standards used a few years ago seem crude when compared with those in use today. Perhaps those used today will be unsuited to marketing conditions within a few years. This theory of revision is well illustrated by the new beef grades, promulgated in 1939. For several years a number of wholesalers had graded beef in accordance with a system known as the "Institute" standards. Though these standards were based on the same characteristics as the official U. S. standards, they provided for 10 grades, as compared with the 7 in the official standards.

Consumers had repeatedly pointed out that the old system was too complicated. Though they could remember, for example, where the U. S. Good grade came on the grading scale, they found it difficult to learn and remember the quality differences between U. S. Good Steer, U. S. Good Heifer, and U. S. Good Cow. The new system provides for the grading of beef produced from steers, heifers, and cows in accordance with a single grade standard. To select beef on the basis of grade, consumers now need only to familiarize themselves with the grade names and their relative position on the quality scale, as the beef placed within each grade and bearing the same grade name is essentially similar from a quality standpoint.

Development of Standards

In developing standards for fruits, vegetables, and nuts the Agricultural Marketing Service functions as a national research agency for the industry. With a few exceptions, the use of Federal grades is entirely permissive so far as the Department is concerned. Being permissive, grades can be perfected by the Department only to the extent that they will be accepted for practical use in merchandising transactions. Each year sees their use extended. Unless otherwise specified, the standards form the basis for Federal inspections and the settlement of disputes between buyers and sellers. They are extensively used also in the purchasing of supplies by Federal, State, municipal, and other institutional buyers.

A large number of State laws and regulations conflict not only with the U. S. standards but also with grades that have been established across the line in adjoining States. And where such differences exist, confusion naturally prevails. It is encouraging, however, that many States are now adopting the Federal standards. And in the administration of some State laws, inspection or marking is compulsory on the basis of these standards.

Since the official promulgation of the Federal standards for potatoes in 1917, the Department has formulated and issued grade standards for many of our commercially important fruits, vegetables, and nuts, both fresh and in processed forms. Standards are now available for approximately 60 of the different fresh fruits, vegetables, and nuts, and for nearly 40 of the processed fruits and vegetables, including the canned, quick-frozen, and dried forms.

The first standards for frozen vegetables were issued recently in tentative form for trial by processors, dealers, and consumers for peas and Lima beans. Growers involved and leading firms in the processing fields tell us repeatedly that there is a real need for standards for these processed commodities, both for the raw products and for the processed forms, to serve as a basis for transactions, and to improve the level of quality offered to consumers.

Besides such time as we are able to give to the development of standards for commodities for which none are now available, we are confronted daily in the conduct of our inspection work with answering questions that involve interpretations of the grades that have been promulgated. We are also faced with revision of the standards from time to time to keep them abreast of changes growing out of shifts in varieties and strains, modifications of production and marketing practices, and, sometimes, the ravages of diseases and insects. We have recognized for some time the need for the development of grades for some of the fruits and vegetables utilized in the processing industries, such as citrus fruits, peas, Lima beans, beets, peaches, and blueberries, and as much work is being done on these products as our facilities permit.

Constant research is necessary in order to refine and make more specific the definitions for various types of grade defects in the large number of U. S. standards now in effect, and to provide a basis for uniform interpretations of the grades in all parts of the country. As long as the interpretations of grade specifications depend so much upon human skill and judgment of individuals there will be need for extensive research to develop more precise methods of inspection.

Research Studies

The research projects of the Agricultural Marketing Service are concerned largely with the problems of development and improvement of standards of quality. Cotton-fiber and spinning studies are carried on cooperatively with the Bureau of Plant Industry, the Clemson Agricultural College, and the Agricultural and Mechanical College of Texas. These projects include comparative tests of cotton varieties by regions, measurements of color, leaf and preparation factors, fiber-length studies, and mechanical and X-ray examinations of the physical properties of a large number of cottons.

Milling and baking tests with wheat and other grains, slaughter tests of different grades and weights of livestock, meat-quality studies, and wool-shrinkage tests are some of the other projects. These types of standardization research involve the appraisal of all factors inherent in a product, and in different varieties of that product, that may in any way affect its commercial value or relative desirability.

For example, we have undertaken in the Chicago area recently an investigation of the potato grades. Experienced inspectors are studying the quality of lots of potatoes received in the Chicago market by tracing them from the wholesale market through to representative retail stores. The potatoes are checked for quality and condition on arrival in the retail store, and inspections are also made from time to time of the grade of potatoes offered to consumers in the store bins or in consumer packages. We expect to obtain information showing the effects on the quality of potatoes of practices in distributing them from the railroad cars to the retailers, and in handling and selling them in the stores. These results, although not completely answering the question, should throw considerable light on what happens to the quality of potatoes in the Chicago market.

Also of major importance in the research field of our work are the market-reporting surveys, the marketing surveys in specific producing areas, and the research projects on such phases as packaging, packing, handling, storing, and warehousing in order to meet better the needs of growers and the trades in distributing more effectively the supplies produced. In this regard, the ginning studies made in cooperation with the Bureau of Agricultural Chemistry and Engineering in the Federal laboratories at Stoneville, Miss., are speaking for themselves.

Standards Are Applied in Inspection and Grading

Inspection and grading involve the actual application of the standards to agricultural products. That is, in this work, the quality of various products are matched with the official standards. The marked increase in the quantities of farm products inspected and graded in recent years is a good index of the growing understanding and acceptance of the uniform standards. In the fiscal year 1919, for example, approximately 14,500 cars of fruits and vegetables were inspected. During the 1938-39 fiscal year, in cooperation with the States, over 456,000 cars of fresh fruits and vegetables were inspected at shipping points--about 40 to 50 percent of the annual rail movement of these commodities--and almost 49,000 cars at receiving markets.

Part of the increase in the quantities inspected and graded can be attributed to the special services which are designed to meet the practical needs of the industry. In receiving markets fees for inspections of fruits and vegetables for condition only were reduced from \$4 to \$2.50 a car on May 1, 1939. The reduction was made for the benefit of those who want to obtain information on some single factor or factors of condition. The fee for full grade inspection is still \$4 per car.

During much of the present decade, most fruit and vegetable growers have been faced with the serious problem of getting enough income to meet operating and overhead expenses. With the unfavorable relationships between low levels of market prices and high cost of distribution, and the increased pressure of distributing expanded supplies in reduced commercial outlets, growers and distributors have made greater use of official grades and inspection in trying to solve their marketing problems. Many of the efforts made through marketing-agreement and other regulatory-marketing programs developed by grower groups, have included measures limiting the quantities shipped to the grades and sizes that best meet what is termed "effective consumer demand."

Tobacco Inspection

Tobacco inspection is conducted under the provision of the Tobacco Inspection Act of 1935. Inspections of tobacco may be mandatory as in the case of a designated auction market, or they may be rendered upon the request of any interested party, such as grower, association, dealer, etc. But the large part of the inspections relate to the operation of auction markets and are provided without cost to the grower under Section 5 of the Act. Under this section, inspectors employed by the Agricultural Marketing Service examine and certify according to grade, prior to the auction, each lot of tobacco offered for sale on a designated market. The grade of the tobacco is certified on the basket ticket in order that the grower may have the benefit of disinterested and authentic information on the quality of each basket he offers.

Inspection, and the tobacco market news made available as a complement of the inspection work, provide the grower with grade and price information by which he may protect himself against erratic prices incident to rapid sales. No charge is made for this kind of inspection service, and the freedom of action on the part of farmers is not affected in any way. Growers still have their customary choice of markets in which to sell and the privilege of accepting or rejecting prices offered.

The Secretary of Agriculture is authorized to designate for free and mandatory inspection those markets on which the tobacco handled moves in interstate commerce. This authority is qualified by the requirement that a referendum be held among the growers who patronize the market to ascertain whether they wish to have the service, and the further requirement that two-thirds of those voting must favor the work before a market can be designated. At referendums held the past year, the vote has been almost unanimous in favor of Federal inspection. The increase in inspections has been from nearly 125 million pounds of tobacco in 1935 to 275 million pounds during the 1939-39 marketing season. With 42 markets now designated under the Tobacco Inspection Act, it is probable that the quantity of inspection will reach 450 million pounds this season.

Classifying Cotton

The quantity of cotton classed for farmers has increased tremendously as a result of the amended Cotton Grade and Staple Statistics Act. This amendment (referred to also as the Smith-Doxwy Act) authorizes the Secretary of Agriculture, upon written request from any group of producers organized to promote the improvement of cotton, who comply with the regulations, to determine and make available to such producers the classification of cotton grown by them. In the first season that this service was available (1938-39) farmers in 312 organized groups received the free classification; this season--the second year--the number of communities approved has nearly trebled. Farmers in these communities no longer have to guess the quality of cotton they grow. They know in market terms, the quality they have produced from their improved seed.

The Grade and Staple Statistics Act in its entirety has made it possible for the United States to become the only important cotton-producing country with a complete statistical-reporting service for the quality of cotton produced. In providing this service, representative cotton samples are obtained from current ginnings and from cotton in storage. These samples are classed and reports are issued on the quality of the ginnings at regular intervals throughout the season. Each ginner who cooperates in furnishing samples, is given the grade, staple length, and preparation of samples classed from his gin.

Grade Demonstrations

Through educational and demonstrational programs the general public becomes familiar with the standardization and inspection programs, with the requirements of the various commodity grades and their use. Last year a great many educational programs were held in cooperation with State and county agencies. At some of these meetings producers were taught to grade or to class various commodities; at others, grading was demonstrated by trained specialists.

Tobacco-sorting demonstrations were held during the past fiscal year in eight States and attendance at tobacco-grower meetings and demonstrations totaled about 54,000 persons. Training courses were held at eight agricultural colleges and institutes for the particular benefit of college students and agricultural teachers. Exhibits of tobacco samples representing the various grades were shown at a number of agricultural fairs.

Requests for livestock-grading demonstrations are being received from an increasing number of States despite the fact that standard classes and grades of livestock are now generally accepted by the industry. The need for quotations based on a uniform application of class and grade standards to provide reliable and understandable market reports has outweighed most objections to grade standards. About 10,000 people attended the lamb-grading demonstrations the past year in Virginia, West Virginia, Tennessee, and North Carolina. And in the Georgia-Florida-Alabama area, where livestock-market information is becoming of increasing importance, much credit is given to the State extension services and State departments of agriculture for the part they have taken in making that area "grade conscious."

Many livestock-grading demonstrations are conducted in connection with shows held for the judging of livestock fattened and exhibited by 4-H Club members and by Future Farmers of America chapters. In some instances the carcasses of show animals are graded in the presence of producers and club members, and the factors that determine grade are explained. In some demonstrations, a few animals are numbered, graded, and slaughtered and their carcasses graded to check the accuracy of the grading of the live animals.

The primary purpose of these various programs is to acquaint the general public with the grades and to bring to the attention of producers and shippers the marketing practices that help to maintain high quality. Indirectly, the educational activities serve to improve the quality of marketings, to show farmers how to sell on the basis of grade, and to help producers interpret market reports more intelligently.

One result of the adverse conditions confronting American agriculture has been a greater appreciation of the value of standards and inspection in selecting varieties and strains of crops best adapted to market outlets and in better preparation of products for market. Growers, especially, are asking for even more specialized educational service in their efforts to do a better job of marketing.

Marketing Ethics

The broad activities of the Agricultural Marketing Service, and the individual action programs, involve the administration of 17 specific statutes. A few of these are so-called "market service" Acts, such as the Peanut Stock and Statistics Act. A few, such as the two I have mentioned--the Tobacco Inspection Act and the Smith-Doxey Act (more properly, the amended Cotton Grade and Staple Statistics Act)--might be termed "service-regulatory" statutes. Others fall more specifically in the regulatory field.

Firms engaged in handling agricultural commodities have, in general, earned the confidence of producers in all sections of the country by following a policy of fair dealing. A few producers and a few dealers, however, try--and a number succeed, temporarily at least--to engage in fraudulent, unfair, and discriminatory practices. Dealers may pay lower prices than the condition of the market warrants. Producers may ship commodities that are unsuitable for the channels of trade. These are but a few of the reasons why Congress set up machinery for regulating the relations of producers and dealers.

The United States Warehouse Act

Under the authority of the United States Warehouse Act, warehousemen may be licensed for the storage of agricultural products. Thorough investigations are made relating to the integrity and financial responsibility of the warehouseman, the integrity and competency of samplers, weighers, inspectors, and graders of the products stored, the physical structure of the warehouse, and the quantity and grade of the products. The receipts of a Federally licensed warehouseman are generally accepted without question by lending agencies as collateral for loans.

The obvious advantages of licensing led to a marked increase last year in the volume of commodities that could be stored in Federally licensed warehouses. At the close of the year, 1,159 warehousemen had been licensed--an increase of 14 percent over the number the preceding year. Most progress was made in the licensing of warehouses storing cotton, grain, wool, and canned goods. The heavy accumulations of cotton under the Government loan program resulted in additional requests for licensing. Last year, more cotton than ever before could be stored in Federally licensed warehouses--slightly over 10 million bales. And the licensed capacity of tobacco warehouses totaled almost 177 million pounds.

New Seed Legislation Protects Growers

In view of the inadequacy of the existing seed legislation, extensive consideration was given during the past 2 years by the Department, State officials, American Seed Trade Association, and farm organizations to more effective legislation. These efforts resulted in the passage by Congress of a new Federal Seed Act, that became effective February 5 of this year. It is designed to control the quantity of all imported agricultural seeds and vegetable seeds, and restrict the importation of screenings and seeds of poor quality.

The interstate provisions of the law will require complete and correct labeling of seeds in interstate commerce. It will restrict the movement of noxious-weed seeds in interstate commerce on the basis of the laws of the States into which the seed is shipped. False advertising in interstate commerce is prohibited.

The Perishable Agricultural Commodities Act

During the little over 9 years the Perishable Agricultural Commodities Act has been in effect the Secretary has rendered decisions in 2,366 cases and has issued reparation awards amounting to more than \$645,600. Publication of the facts has been ordered in more than 1,600 cases. The public is familiar with these decisions; they have been widely carried in the trade papers. But cases in which the Secretary has rendered decisions do not completely measure the worth of the Act, for more than 21,000 complaints have been received and handled. Of these almost one-third have been settled without the formality of decision by the Secretary, and the total of the reparations paid in these cases has exceeded \$1,336,000.

Entirely apart from formal or informal action taken by the Department, this Act and its enforcement have had a beneficial effect on the practices followed by the trade. Since it was intended to suppress unfair and fraudulent practices in the marketing of fruits and vegetables through the licensing of all persons handling fruits and vegetables in interstate commerce, we believe that it is much more beneficial to the industry to prevent licensees from engaging in such practices than to punish them after the offenses have occurred. The opinions expressed by the trade, and by attorneys who make a specialty of produce cases, indicate that a marked decrease in the number of unjustified rejections by receivers has been noted, and shippers apparently are more punctilious in carrying out their contracts. A noticeable improvement has been noted in the increased care with which buyers and sellers agree upon "terms of sale." This avoids many disputes. Commission merchants handling goods for the account of others are becoming more careful and accurate in rendering accounts of sales.

In administering this and other Acts which affect the fruit and vegetable trade we have always tried to emphasize the service viewpoint rather than the police viewpoint. We believe the fruit and vegetable trade throughout the country realizes that this law is its servant rather than its master. Today our Washington office receives by letter, by telegraph, or by telephone frequent inquiries for advice on various problems and situations with which members of the trade find themselves confronted. Our field offices report the same experience. This is as it should be.

Standards for All Containers.

About 10 percent of the total annual movement of fruits and vegetables is shipped in bulk, 20 percent in baskets and barrels, 20 percent in sacks, and the remaining 50 percent in crates and boxes. The two Standard Container Acts fix the sizes for Climax baskets, containers for small fruits and vegetables, hampers, and round stave and splint baskets. These laws are accomplishing their objectives. Strict enforcement has resulted in reducing the number of these containers from 166 to 36. And "snide" packages of the basket and hamper type are rarely manufactured deliberately.

But a great many containers are not standardized. Though a number of crates, boxes, and sacks have virtually become standardized through common usage, and most States have established standards by law or regulation, the unfortunate lack of uniformity in the provisions of these State laws, and their permissive nature, tend to make them ineffective from a national point of view.

Proponents of additional legislation to cover containers not now standardized point out that the standardization of hampers and baskets in effect at the present time has resulted in a simplification of manufacturing problems and has reduced costs. If regulation is helpful for part of the industry it ought to be beneficial to all. Something more than 280 crates, boxes, and cartons are now recognized in freight tariffs. It is difficult for some of us to believe that such a number of containers is needed for the economical and efficient marketing of fruits and vegetables.

Market Regulation

Most of the regulatory laws administered by the Agricultural Marketing Service have been passed at the request of the industries involved. Representatives of the fruit and vegetable industry met in Washington last March, for example, to discuss the possibility of legislation to control selling hours and trade practices in receiving markets where such action was desired by a majority of the trade.

During the months which followed the March conference a tentative draft of a bill was drawn which proposes "to regulate interstate and foreign commerce in perishable farm products; to prohibit unfair methods of competition, and to establish reasonable and uniform trading hours." Under the terms of the proposal, the Secretary of Agriculture would be authorized to designate markets and to bring them under supervision following a referendum in which more than 50 percent of the voters who handled more than half of the total perishables on that market, favor the plan. The optional character of the proposal is deemed important because controlled selling hours or other forms of regulation may not be adaptable or desirable for some markets.

This proposal is now under consideration by organizations in the fruit and vegetable industry. To some, it appears to be unreasonable and objectionable on general grounds. To many others, it seems to offer definite possibilities of straightening out the chaotic condition which now prevails in some of the large markets. Some of the national trade organizations have endorsed the principle of the plan. We hope to have some definite recommendations within the near future. The Agricultural Marketing Service is not pressing for more regulation. We are always interested, however, in possibilities of improving marketing conditions through governmental activity when it is apparent that the marketing agencies cannot themselves effect the desired changes needed for more efficient distribution.

In Conclusion

The formulation of a well-rounded marketing program, adapted to the needs of the entire country, is a big job. The interests of different regions and localities are varied and conflicting. Innumerable adjustments and compromises must be made in recognition of these differences, for oftentimes a service which will fit the needs of one section of the country is poorly suited to another. Looking back over the work that has been done by the Federal Government and the States, however, it is apparent that substantial progress has been made. Of course, much remains to be done. And we all are confident, I know, that the future will see even more progress toward the perfection of a unified, efficient marketing service.