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A LOOK AT THE PROPOSED TURKEY ENABLING ACT

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Congress has adjourned, and the hot debate on the proposed turkey enabling act has died down, at least for the present. Now that the debate has eased, it is desirable that the act be examined carefully by all members of the turkey industry before it is introduced in Congress again next session. What are the provisions of the act, and what are some of its pros and cons?

Enabling Act Provisions

The act would authorize producers to vote for and get federal marketing orders under certain conditions. Under the orders they could levy assessments on themselves with which to prevent or divert surplus turkey production and to carry on market development and research. Producers could be prohibited from selling any breeder hens, eggs, poults, or turkeys produced in violation of the provisions of the marketing order. The federal government would enforce the orders, including collections.

In general, the act would authorize marketing orders containing one or more of the following provisions: (1) That producers of breeder hens register their breeders and be issued an official band for each hen, (2) the payment of a market development and stabilization fee with respect to breeder hens, turkey eggs or poults, and market turkeys maintained or produced for, or marketed in interstate commerce, (3) the purchase of or payments for diverting breeder hens, eggs, poults, or market turkeys, with funds collected, and (4) the establishment and financing of "...research (including disease control), promotion and market development programs designed to assist, improve, or promote the marketing, distribution, or consumption of turkeys or turkey products..."

The stated purpose of the bill is "to encourage... producers of breeder hens, hatching eggs, and market turkeys, through marketing orders... to establish and contribute to the support of: (1) programs to provide... such supply and orderly flow of turkeys in commerce... as will avoid unreasonable fluctuations in supplies and prices..., and (2) research (including disease control), promotion, and market development programs to expand the consumption of... turkeys and turkey products.

Leaders of the turkey industry and the National Turkey Federation which led in the drafting of the bill are to be commended for attempting to solve some of their own problems by developing the act. It is the result of several year's work. Marketing orders have been used successfully in several places for many products and have much to recommend them.

Opposing positions have been taken on the bill. The Board of Directors of the National Turkey Federation is strongly in favor, and on voting favorably on the act, represented the growers of some 90 percent of the turkeys produced in the nation. The National Grange also supported the bill.

On the other hand, several producers from the South testified before a Senate Agriculture Sub-Committee that they feared the bill would lead eventually to production controls. The American Farm Bureau has held back, believing that "the proposed legislation has serious and widespread implications to the turkey and poultry industry that require careful study." They urged that "no action be taken on the proposed legislation and that it be given continued study."

The U. S. Department of Agriculture is staying in the middle... "We are taking an open mind; we neither approve or disapprove at this time," said Ray W. Lennartson, USDA Deputy Administrator to Marketing Services before a Senate Agriculture Sub-Committee in July. Don Paarlberg, Assistant Secretary, has taken a similar position. The National Agricultural Advisory Commission has recommended that the Department give the proposed enabling act "continuing study."

#### Pros and Cons

What are some of the strong points of marketing orders and of the act? The act would provide for marketing orders which are self-help programs and have been used extensively. The Department of Agriculture has had wide experience in administering them for various agricultural commodities and, according to Assistant Secretary Paarlberg, "this experience has generally met with considerable success." The National Agricultural Advisory Commission has continuously favored marketing order programs. And, although no simple generalizations can be set forth about marketing

orders because of the diversity of the orders and their provisions, they have continued through periods of prosperity although initiated during the depression years. Also, there is increased interest in state marketing orders. Last year two states, New York and Wisconsin, enacted enabling legislation.

Producers must vote for the orders before they can become effective, and they can vote them out if they are dissatisfied. They are not "check-offs" in the commonly accepted sense. Orders would be a way to raise money for advertising and to spread the cost. Orders can be used to even out and control supply and have sometimes been effective when supply is subject to wide fluctuations because of weather and other conditions.

What are some of the objections being raised to the marketing orders?

(1) Turkeys are scattered from Maine to California. Marketing orders have been most successful in an operating sense where production is concentrated in particular areas that are sufficiently small so there is considerable similarity of production and marketing conditions among the growers. Turkey production and marketing conditions throughout the U. S. are diverse. This would make enforcement difficult and costly, and lead to some inequities, (2) if the volume control is effective and raises prices too high, this will probably encourage increased production of turkeys to the point where more and more breeders, poults, or turkeys would have to be taken off the market. Under these conditions, the programs would conceivably break down without some type of production control. Then, too, with increased prices the number of smaller, exempt producers could be expected to increase. This has been the experience where minimum acreage allotments have been innovated. Such provisions have had the effect of freezing production patterns and working hardships on the larger, more efficient producers. Too high prices might also discourage turkey consumption and be a bonanza for broiler producer and other competitors, encouraging them to take part of the turkey market, (3) marketing orders haven't been tried on a national scale, and there is little to guide the turkey industry. Imposing industry fees to be used for stabilization purposes as



authorized by the act is a departure from experience. Under other federal marketing order programs funds are used only for administration of the orders, fact gathering and limited research programs, not for advertising or for payments in purchasing agricultural products for diversion purposes. This new concept deserves study,, (4) only producers would be on the marketing board established to administer the order. Wouldn't it be desirable to have representatives of allied industries who would also be vitally affected?

The National Turkey Federation's M. C. Small and L. Walts are now holding conference with some industry people who have opposed certain features of the bill. Meetings are being held with various groups. They are urging all organizations to take no action regarding the proposed act until the 1959 version is drafted and explained to them. Now is the time to ask, "Where do I stand? Should there be an enabling act and turkey marketing orders? If so, what features should they have? And how will they affect me and my industry?"

Note: This article was recently published in the "Turkey Producer," October 1958.