Beyond the Research and Marketing Act of 1946
Foreword

To market, to market, to buy a fat pig...
Simple Simon met a pieman, going to the fair...
Jack Sprat could eat no fat...

—Breimyer, 1963, p. 6

Early [English] markets...were...subject to rules...
prohibiting practices known by the quaint Old English
words “forestalling,” “regrating,” and “engrossing.”

—Breimyer, 1977, p. 79

The marketing research and extension program of the 1950s
had as nearly immaculate a conception as can ever be hoped
for in this grimy world.

—Breimyer, 1991a, p. 176

Congress Brings Science to Marketing

Marketing has long had an ambiguous and a scarcely trusted place in human affairs. Yet it
is so familiar and commonplace that its lore has imparted charm to the simplest nursery rhymes.
Anciently and currently, grievances against traders and trading have led sovereign authorities to
put rules on the conduct of trading. Medieval curbs on forestalling, and today's on cornering a
futures market, though centuries apart, are of the same genre.

In the annals of U.S. agriculture, even as in merrie old England, the conventions and customs
by which farm products move to market are ingrained in our culture. Images and opinions have
varied widely. Tributes have been paid often, almost routinely, to the magnitude and essential
nature of the marketing function. Yet trust in those who perform it has been hard to establish.
“Marketing costs too much” has been an almost universal plaint in farming country. Middlemen
have been suspected, if not accused, of gouging. Generally, farmers of the Midwest and Plains
who were distant from coastal cities and markets were historically the least confident of integrity in markets.

Some early agricultural economists were smudged with popular grievances about markets. Others became defensive of marketing and its agents. They found it expedient to assure of three kinds of utility in marketing: form, time and place. Sometimes, but less convincingly, possession utility was added (Dummeier and Heftlebower, p. 75).

But neither casual rationalizations nor prairie protests met stern tests of scholarship. To be sure, ending years of the 19th century saw publication of books and bulletins on farm-product marketing. But most got the deserved rebuke that they were almost exclusively descriptive.

Applying Science to Marketing

It was against such a backdrop of familiarity without sophisticated understanding that the truly landmark Research and Marketing Act of 1946 (RMA) was introduced, enacted and signed into law. The law was not confined to marketing but, as will be noted below, it put exceptional and unprecedented emphasis on the marketing portion of agriculture.

The law took that step in the name of science. It's as though scholars and practical people reflected, "We are in the age of science. Why not apply scientific techniques to marketing?"

If Helen's face launched a thousand ships, this question, almost ingenuous in its common sense, set in motion years of scholarly peeking into every nook and cranny of the marketing of U.S. farm products. It did so as part of the master plan for agricultural research that the RMA constituted. In that plan, marketing work was not only incorporated in a general authority, but accorded a separate title. More than marketing research was to be undertaken; marketing service and education were called for too. And the U.S. Department of Agriculture (USDA) or other federal agencies were not the only troops to be enlisted; state agricultural experiment stations and extension services and state departments or bureaus of markets were to be drawn in, and even, on occasion, private firms under contract.

More detail on the RMA and its Title II, the "Agricultural Marketing Act of 1946," follow. A selected quotation from Title II nevertheless serves to illustrate how serious Congress was about applying the scientific method to marketing, even if the paradigm had been borrowed from production agriculture. The announced object was to foster "a scientific approach to the problems of marketing, transportation, and distribution of agricultural products similar to the scientific methods which have been utilized so successfully during the past eighty-four years in...the production of agricultural products..." (U.S. Congress, p. 1987). (See Part 1 of this proceedings for a continuation of this paper).

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The Research and Marketing Act of 1946: Its Inception, Significance and Legacy

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(Continued from the Foreword)

The Public Spiritedness of the Time

Although cloistered researchers may feel untouched or even aloof, scientific inquiry is invariably at the mercy of the mores of the day. Not only must the tenets of objective empiricism be accepted, but the findings of inquiry have to be respected and trusted. Otherwise, scientific investigation is hamstrung, and futile too. In addition, as a practical operating matter, the sources of information—the persons and firms studied—must be willing to participate. This last is sometimes not a small consideration.

The first post-war years were an appropriate time to embark on an idealized project to enhance the welfare of a nation by lifting the performance of its food-supply system. In those years our people were aglow with pride—pride in having conquered not only the "economic cataclysm" (depression) of the 1930s but our formidable adversaries in a world war. Success in these "heroic efforts engendered a liberal public spiritedness not before known in the century" (Breimyer, 1991a, p. 167).

The public spiritedness extended even to the non-flashy, prosaic enterprise of studying the country's farm product markets and its food delivery infrastructure and practices.

The loftier goals of the RMA account for the nearly-immaculate-conception eulogy accorded it.

But as in most human endeavor, self-interest or even seamy maneuvers were not wholly absent. The element of grubbiness in the origin of the RMA lay in the first of two strains of political advocacy that Edward Banfield sets forth.

Banfield distinguishes between what motivated the forthcoming law's two principal sponsors. During World War II the commodity price supports that had previously underpinned farmers' incomes were put on hold. Farm politicians never stopped wondering and planning how farmers' interests could be defended after the war, preferably without having to resort to the clumsy rigmarole of acreage controls. The House Committee on Agriculture, chaired by John W. Flannagan of Virginia, had mostly southern members who were concerned for cotton and tobacco. Frustrated by various proposals reaching them, they took refuge by turning to an intensive program of research that, doubtless in deference to political reality, was eventually expanded "to include not merely cotton but all agricultural products..." (Banfield, p. 58). The Flannagan thrust was solicitous of the interests of producers, not consumers.
Meanwhile, Congressman Clifford Hope of Kansas took a broader view. He drafted a bill to provide for marketing research and service. He acted out of a “belief that marketing improvements might make ‘action programs’ unnecessary. ‘A lot of us would like to see it (the surplus problem) handled in such a way that the Government would not be in it’...—‘that it be worked out through research, that new uses, new purposes, and new methods of marketing be developed with the result that we absorb these extra products’” (Banfield, p. 58).

Retrospectively, it seems natural and even automatic to have combined the two bills into what became known as the RMA and more popularly as the Hope-Flannagan law. But two further lines of political action and support must be noted. Neither was negligible. One was the chemurgic movement. It had been strong during prewar years and its ardent leaders hoped for new vigor postwar. They evangelized for utilization research, with emphasis on developing new industrial uses for farm products. Utilization shows up prominently in the language of the act. Barnard Joy, who for many years supervised the advisory committees that had their origin in Title III of the law (see below), found occasion to observe three years later, almost ruefully, that the RMA “has at times been considered to be a Marketing Research Act” but can be so called only if utilization research be classified as marketing research. That epistemological convenience would be acceptable were it not that, in those first years, nearly all utilization research was “technological rather than economic” (Banfield, p. 1150). Later, though, utilization work settled into its own niche and was not regarded as a threat to bona fide marketing research.

Not least among protagonists for a national program of research in farm production and marketing were administrators of state agricultural experiment stations and state directors of agriculture (and/or chiefs of their divisions of markets). Congressmen Flannagan and Hope agreed that they should be included. The experiment stations held the upper hand. As Banfield recounts, the station chieftains “maintained that funds for research in the states should be available only to the experiment stations; the state departments of agriculture should be confined to market services. This division of labor preserved the traditional pattern, as did the provision of the bill centering Federal research in the field of utilization” (Banfield, p. 59).

“With this backing, H.R. 6932 [the RMA] was passed without a dissenting vote” (Banfield, p. 60).

Provisions of the Law

The RMA had three titles. The first was the umbrella title that provided for “research into basic laws and principles relating to agriculture and...for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges” (U.S. Congress, p. 1082). This title was enacted as an amendment to the Bankhead-Jones Act of 1935. Title II was the “Agricultural Marketing Act of 1946.” Title III established a national advisory committee.

**Title I.** Title I begins with a lofty declaration of policy:

It is hereby declared to be the policy of the Congress to promote the efficient
production and utilization of products of the soil as essential to the health and welfare of our people and to promote a sound and prosperous agriculture and rural life....It is also the intent of Congress to assure agriculture a position in research equal to that of industry... (U.S. Congress, p. 1082).

Research is then authorized into a host of fields:

...including but not limited to:...the improvement of the quality of, and the development of new and improved methods of the production, marketing, distribution, processing, and utilization of plant and animal commodities at all stages...;...the problems of human nutrition...;...the development of present, new, and extended uses and markets for agricultural commodities...;...the discovery, introduction, and breeding of new and useful agricultural crops, plants, and animals...;...new and more profitable uses for our [agricultural] resources...;...four other broad fields beginning with resource conservation and ending in a catch-all] (U.S. Congress, pp. 1082-83).

Title I, even as its Bankhead-Jones predecessor, authorized funding of research as conducted by the USDA, and, via grants, by state agricultural experiment stations (including cooperative projects).

Title I had three sections, each of which specified the kind of work to be done, and by whom, and provided for its own appropriation. The descriptive data that follow draw heavily on Banfield.

Section 9 calls for research into “basic laws and principles relating to agriculture in its broadest aspects.” This section is confined to funding the work at state experiment stations. Not less than 20 percent must go to “projects in the field of marketing.” Of this section 9 money going to stations, up to 25 percent “may be allocated to a Regional Research Fund for use on projects in which two or more stations are cooperating.” A committee of nine elected by experiment station directors and approved by the Secretary of Agriculture had to approve regional projects.

Section 10a is confined to utilization research, which may be done by “USDA in its own laboratories or by contract from USDA to public or private agencies.”

Section 10b provides for USDA’s research on “basic laws and principles” except that related to utilization. The USDA may cooperate “with Experiment Stations or other agencies if Stations concerned approve” (p. 49).

In an article published in the February, 1947, Journal of Farm Economics, Professor Leland Spencer of Cornell University provided a resumé of salient Title I features. Spencer’s article was published as a summary of a “Round Table Discussion” engaged in by sixteen prominent agricultural economists at the December 27, 1946, annual meeting of the American Farm Economic Association. According to Spencer,

...the appropriations authorized under this title [actually, Section 9]...[are to be] allocated to the agricultural experiment stations by a specified formula. The funds allocated must be matched by the respective states and territories.
The term "marketing" is not specifically defined...in general marketing begins after the crop is harvested and ends when the product is purchased by the consumer....

Marketing research is not limited to studies of economic aspects of distribution...(pp. 292-293).

Harry Trelogan, who may have done more than any other person to promote and give direction to the marketing work under Title II, notes as distinctive features of Title I the granting of authority to the Secretary of Agriculture to contract for research with non-USDA agencies and "the provision for cooperative regional research...another entirely new development..." (1949, p. 482).

**Title II.** If anything, in its declaration of policy this Title reaches even closer to the stars than Title I does:

...it is the intent of Congress to provide for (1) continuous research to improve the marketing, handling, storage, processing, transportation, and distribution of agricultural products; (2) cooperation among Federal and State agencies, producers, industry organizations, and others in the development and effectuation of research and marketing programs...; (3) an integrated administration of all laws..., to the end that marketing methods and facilities may be improved, that distribution costs may be reduced and the price spread between the producer and consumer may be narrowed, that dietary and nutritional standards may be improved, that new and wider markets...may be developed..., with a view to making it possible for the full production of American farms to be disposed of usefully, economically, profitably, and in an orderly manner....

The text of the law then calls for maximum use of existing federal and state research facilities. Next, cooperative relations are spelled out:

To the maximum extent practicable marketing research work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural experiment stations; marketing educational and demonstrational work done hereunder...shall be done in cooperation with the State agricultural extension service; market information, inspection, regulatory work and other marketing service done hereunder...shall be done in cooperation with the State departments of agriculture, and State bureaus and departments of markets (U.S. Congress, p. 1087).

In his summary and commentary, Leland Spencer took note of the instructions for cooperation, including authority for contractual work. He pointed out that "funds allocated to the states must be matched with new appropriations. However, with respect to programs carried out by public or private agencies under contract with the Secretary of Agriculture, no matching of funds is required" (p. 294).

**The Single-Agency Issue.** Also noteworthy, in Spencer's view, was the authority granted to USDA to "combine in a single administrative agency all activities of the Department relating to research, service and regulatory work in connection with market-
ing, storage, transportation, processing and distribution" (p. 294).

The legislative history and later grousing make it clear that the "authority" so granted was a euphemism for mandate. The subsequent reluctance of secretaries of agriculture to act on that strong nudge brought scoldings, but also raised more than a little doubt as to whether the integration called for was in fact a good idea.

**Title III.** Also unique to the RMA—an all-time first—was the provision for advisory committees. Literally, Title III told the secretary of agriculture to "establish a...committee" (singular noun). That committee, however, quickly proliferated into a prolix network of advisory groups that added to the revenue of hostels in Washington and elsewhere but took their assignments seriously and generally carried them out well. The text of the Title has a few nuggets:

In order to aid in implementing the research and service work authorized under Titles I and II the Secretary of Agriculture shall establish a national advisory committee....The committee shall consist of eleven members, six of whom shall be representatives of producers or their organizations. The committee shall meet at least once each quarter....Members...may not appoint alternates to serve in their stead...(U.S. Congress, p. 1091).

Spencer took note of the alacrity with which the committee reproduced itself. Washington veterans are certain to surmise that the elaborate advisory function was not the spontaneous brainchild of the newly appointed single committee but had been urged, explicitly or implicitly, by Congressmen Hope and Flannagan and doubtless other sponsors of the law.

**Funding**

The 79th Congress that enacted the RMA was not pinch-penny. It did not hesitate to authorize the expenditure of steadily escalating amounts of treasury lucre to carry out the purposes of the act. Authorization for Section 9 of Title I began at $2,500,000 in 1947 and increased to $20,000,000 in 1951. Utilization research under Section 10a began at a higher figure, $3,000,000, but topped out at $15,000,000. Section 10b added only $1,500,000 to USDA funds in 1947, and step by step increases ended at $6,000,000 in 1950.

Title II, even as Section 9 of Title I, began at $2,500,000 in 1947 and leveled out at $20,000,000 in 1951.

One can reflect that in the early postwar years when our nation was sure of its capacity to perform heroics at home and abroad, it had faith too in its financial capacity. Income tax rates had been reduced only moderately from their wartime highs, and supply side economics had not been dreamed of. There was no chintziness in authorizing spending for the RMA.

Nevertheless, although annual appropriations generally increased in stair step fashion, they consistently fell short of the amounts authorized. A predictable lag in getting programs underway accounted for much of the shortfall.

In those early years, Title II was funded relatively better than Title I (Banfield, p. 50).

By 1951, the final year of specified budgetary authorization, the bloom had begun to fade. Harry Trelogan reported that "appropriations for this [marketing research and
November 1951 he cited several success stories in the five-year history of the Agricultural Marketing Act (Title II), then admitted that negative judgments being circulated led to the setbacks in funding (1951, p. 939).

The Early Years' Response

That Congress would push for expanded marketing research and service was a foregone conclusion before the 1946 law took final form and went into effect. Pulling and hauling about the USDA's administrative response occupied more than a little of USDA officials' time. Even so, in terms of quickness to respond to the new law, no one was out of the starting gate more quickly than the advisory committee and its progeny. Leland Spencer tells the story succinctly:

The National Advisory Committee, in its initial meeting early in December, 1946, recommended a structure of industry advisory committees based on commodities and on functional problems. These will be grouped under a limited number of "general" committees, covering animal products, fruits and vegetables, field crops, fibers, and forest products. These in turn will be brought together through an overall committee on "utilization" on which nutritionists and the general public will be represented. Servicing the industry committees will be technical committees. It is hoped that the membership of at least half the commodity and functional committees can be determined before the second meeting of the National Advisory Committee, which is scheduled for early February.

The Committee also concurred in the proposal for an interim administrative set-up to get planning of work underway, pending further exploration of the most desirable permanent organizational arrangements (p. 294).

Meanwhile, USDA established its own working groups that would marshal its internal expertise relative to various marketing research and service topics.

Administrative Structure

The Senators and Congressmen who pushed through the RMA with so much verve, as noted above, were sure that the marketing portion (presumably including utilization) constituted an administrative entity and ought to be incorporated in its own administrative organization.

It is a virtual certainty that the National Advisory Committee, with its carefully crafted structure centering in itself, favored unified administration of the RMA.

In any event, that was not to be.

To be sure, Secretary Clinton Anderson hastened to name Emanuel A. Meyer as administrator. He did so December 27, 1946. Until the following July, Meyer was also assistant administrator of the Production and Marketing Administration. Meyer continued in his RMA post until 1949, when responsibility for administration of the act was assigned to Agricultural Research Administrator, Philip V. Cardon. Four years later, the Agricultural Research Administration was replaced by (or renamed) the Agricultural Research Service, and much of the work under the RMA followed suit. Byron T. Shaw was administrator.

It would be impossible to trace the labyrinthine course subsequently taken in admin-
istration of the marketing research, service and educational activities that blossomed once RMA funds began to flow. Rarely if ever was there a czar in the office of the secretary or the Agricultural Research Service who kept a tight rein on all the diverse activities that qualified as "marketing." Reportedly, at times as many as a dozen agencies found that some of the things they did could come under the circus tent of the marketing portions of the law. As was to be expected, the Agricultural Research Service qualified for all sorts of utilization research, and the Bureau of Agricultural Economics, and its successor agencies, for conventional marketing studies. But USDA's Committee on Agricultural History reported in Century of Service that as early as 1948 the Cooperative Research and Service Division of the Farm Credit Administration had 20 research projects underway that were financed from RMA funds (p. 349). The Production and Marketing Administration also was careful not to be overlooked in the dispensation of marketing research funds.

Also revealed in Century of Service was Congressman Clifford Hope's saying in 1951 that he was disappointed in "the results under the Research and Marketing Act...". Mr. Hope believed that "more might have been achieved if the Secretary of Agriculture had placed all marketing work, particularly research, in a new agency" (p. 341).

Conventional wisdom has it that in any bureaucratic structure, every chieftain high or low guards his territory. Doubtless the bureaucratic genes contributed to the pluralistic structure into which marketing activities of the RMA drifted so quickly—each agency wanted a piece of the action, independently. On the other hand, activities emanating from the law were so varied that the idea of centralizing them in a single agency is of questionable merit. This is especially true of undertakings not qualifying as conventional research. It is not surprising that the Cooperative State Research Service eventually took on a major responsibility for federal-state relations in marketing research. The Agricultural Marketing Service, irrespective of its own ever-changing composition, joined with designated operatives in the office of the secretary of agriculture to nurture the politically sensitive relations with state departments of agriculture and bureaus of markets. Inevitably, USDA's Extension Service found itself deeply involved in the extension role in marketing education.

From time to time in the account that follows here, the role of various USDA agencies will be noted. But the impossible task of tracing the changing administrative structure will not be attempted.

The Starting Point

It is a contradiction of no small moment that on the one hand the RMA virtually decreed respect for marketing as a vital component of the farm economy, and specified a high count of research and service enterprises to be undertaken; then, on the other, it set conventional and narrow boundaries as to what constitutes marketing. In the minds of the Congressmen who sponsored the act, marketing began with delivering (selling) products. That farmers are subject to the marketing function in the supplying of inputs did not enter their heads, or if it did so, that alien notion was rejected. Transportation gets mention in the law, but it probably was viewed as a cost in movement of farm products rather than a production input (transport of supplies).

Also implicit in the law's language is the confinement of marketing to sale of com-
modities in spot trading. Futures trading is not even hinted at. Nor are contractual relationships in production and delivery of product taken into account. Richard Kohls and Ewell Roy in their professional writings reminded pointedly that vertical integration had long been a fact of life in fruits and vegetables for processing and was expanding fast in poultry. Drafters of the RMA took no note.

What were the interferences with efficient marketing that the RMA's progenitors had in mind? The legislative history is not very revealing. However, most of the malefactors were seen as operational, not structural. An overall object was "to reduce the price spread," a desideratum to be accomplished by improving "the methods of processing, preparing for market, packaging, handling, transporting, storing, marketing, distributing...agricultural products..." (U.S. Senate, p. 1586). Nothing was said about competitiveness in markets or integrity of price discovery.

The Congressmen who initiated the RMA were curious, though, about how consumers behave. They mainly had in mind household consumers of agricultural food and fiber products.

And they were intrigued by the notion that new or expanded markets for farm products lay waiting to be discovered. This theme, attributable at least in part to the chemurgy movement (see Beeman; also Banfield, pp. 62-67), contrasted sharply with the emphasis on efficiency in markets that otherwise characterizes much of the RMA. Relative to the two political thrusts that came together in writing and enacting that law, the market expansion idea fits better with Mr. Flannagan's objective of preventing a post-war farm income collapse than with Mr. Hope's wish to enable consumers to live well on the fruits of our marvelously productive agriculture.

The State of the Art

If members of the U.S. Congress believed that science ought to be brought to the intellectual desert of the farm-product marketing system, they readily found company among agricultural economists. Or perhaps they got their signals from economists.

Agricultural economics literature of the time is replete with derogation of marketing work. Moreover, criticism of the state of affairs continued for several years, even though RMA-sponsored marketing research was well underway.

Leland Spencer reported his committee's view of the state of the art in 1946:

...the committee recognized certain shortcomings of previous research.... Probably too much time and expense have been devoted to studies of a descriptive nature....

Economic aspects of trade organization and the functioning of the price mechanism should receive much more attention... (p. 296).

Paul L. Farris quotes Frederick Lundy Thomsen, who in 1945 classified as descriptive...

82 percent of 589 marketing reports...Markets were described, marketing channels delineated, marketing margins measured, and cost studies of plant operations and marketing functions undertaken (Farris, p. 7).
The priority of attention given to calculating marketing spreads and margins (a recondite distinction was even made between "spreads" and "margins") seems hard to fathom even after fifty years. Surely it was known that counting, of itself, reveals little or nothing. But agricultural economists have long been attracted to numbers, and trusting about the insights they will reveal. (cf., Breimyer: "the earliest professional writing...was to 'get the facts,' which in most instances were numerical" (1991b, p. 243); and Paarlberg: "we have become...preoccupied with quantification..." (p. 1390).

If Spencer's committee thought the workings of the price mechanism had been underexamined, so did other critics. Frederick V. Waugh, surely the dean of marketing economists at the time, commented on an Agricultural Research Administration report relative to prevailing definitions of marketing. "They emphasize," he pointed out, "the production aspects of marketing, rather than those of pricing." He added, as though to teach a fundamental lesson, "Prices and pricing are at the heart of marketing" (1954, pp. 4-5).

Operating Efficiency of the Firm

If the first focus of marketing research in the later 1940s was overall descriptive data, the second was analysis of firm operating efficiency. The authors of the RMA appear to have been greatly impressed with what improved firm operating efficiency could contribute toward fulfilling the objectives of the law.

Implicitly, the economic model for the proliferation of operating efficiency studies was Alfred Marshall's neoclassical principles. Unless a firm were a monopoly, realized gains in efficiency would be divided between producers and consumers in some (indeterminate) proportion.

Kohls in 1956 asked what Congress had in mind ten years earlier when it enacted legislation making "improvements in efficiency" a legislated goal. "What is meant by marketing efficiency?" Kohls, too, surmised that Congress meant operating efficiency and scarcely appreciated concepts in pricing efficiency (pp. 68-69).

Farris (1983) reminds that Chamberlin and Robinson had been upsetting the whole nature-of-competition spectrum. Agricultural economists such as William Nicholls and A. C. Hoffman had incorporated monopolistic competition in their studies. In 1940 John Maurice Clark asked that the concept of workable competition be included in the repertory of competitive structures (Farris, pp. 6-7). But only a few agricultural economists took note.

Trelogan reported in 1951 that aside from extensive utilization research done under Title I, the five principal categories of marketing research conducted under the RMA were:

1. Basic data and information.
2. Expanding outlets for farm products.
3. Marketing costs, margins, and services.
4. Improvements in handling farm products.
5. Evaluation and improvement of the marketing system (pp. 934-38).

No courageous new venturing, or recognition of changing competitive structure, is to be read into those titles.
The State of the Artists

Manifestly, any critical judgment that the techniques and tools (and conceptualizations) drawn on for the first marketing research were ordinary and undistinguished, reflects unfavorably on the economists who applied and wielded them. Inattention to marketing had as one of its consequences the limited development of imaginative, well-trained, probing specialists.

Spencer and his committee lamented “the shortage of able persons with suitable training who are available...” (p. 297).

The deficiency of talent proved to be partially self-correcting. In fact, turning the spotlight on marketing brought forth a new generation of young economists who were to gain deserved recognition in years ahead. Any list of names is self-indicting by its omissions but surely it includes Kohls, Hoos, Ogren, DeLoach, Farris, Southworth, Shaffer, Rhodes, Manchester, Paul, Sosnick and Nelson.

On the other hand, that deficiency could not be corrected fast enough to prevent an over quota of deficiencies in quality of research output. Any objective evaluation of marketing work done under provisions of the RMA necessarily includes a regret that all too often, money was available before qualified personnel were. Some projects were not competently staffed.

Another Deficiency: A Vision of a Marketing System and of Marketing in a Society

Early marketing researchers, and some later ones too, were particularists. They preferred, and when possible chose, research topics that were readily defined, limited in scope and, in all candor, politically acceptable.

Insofar as they thought in terms of a marketing system—what would later be called a model—they conceived of it as pluralistic-proprietary. Every participating unit was an independent proprietorship; there were to be a large number of them.

Monopoly was recognized as a concept but not as empirical reality. Group action was known only to a coterie of cooperative loyalists. Collective bargaining was not in the lexicon. All marketing transactions involved transfer of title; as mentioned above, ripples were created when Kohls and Roy pointed out the existence of contractual relationships in marketing.

Even though they date from Old England, trading rules in marketing engaged few researchers’ attention. In the 1954 Yearbook of Agriculture, Marketing, only one of the eighteen chapters was devoted to regulation of markets. However, Henry Miller’s Warning! Let the Buyer Beware! and Ted C. Curry's A Fraud by Any Other Name were few-holds-barred accounts of rule-making and regulation in the marketing system.

In almost accusatory language Banfield described the conceptualizations underlying the entire RMA in terms of a similar complacency. No one's hackles, apparently, were to be raised.

From a field of vision structured by the wish to maintain the status quo, the research and marketing program appears as a happy solution to a painful problem—a solution which partakes of some of the most popular symbolism (since it goes under the name of science and
efficiency), violates no prejudices, and poses no conceivable threat to the existing economic, social, and political order (pp. 67-68).

Richard Kohls, who proved to be a gadfly critic of the marketing research done in the 1950s, chided his fellow tillers in the field for their dehumanizing of the marketing process. At the 1957 annual meeting of the American Farm Economic Association (AFEA) he virtually shouted, “In many instances, the marketing researcher has abdicated the position where his training gives him the best opportunity for fruitful existence—that of an economist and social scientist” (underlining is Kohls’) (p. 1605).

Kohls' rebuke is so befitting of the time, so germane, as to justify quotation at length:

In each of the national marketing workshops, the same theme was hammered upon: Get into the harness with the engineer, the agronomist, the chemist, the production science specialist. The problems to be solved were ones of man and machines, man and process, and methods and man and products. This wedding has occurred. Though in many instances it was not the result of a team, but of economist turning engineer or agronomist or of an engineer turning economist. I, for one, believe that these efforts have resulted in some excellent research.

However, such emphasis neglected a very important point. Many of the problems of marketing are those of man with man, with man’s operating institutions and their relationship to each other with his overall institutional creation called government. In attacking these problems, the economist’s ally is...other social scientists... (p. 1605).

Two years before Kohls' scolding, a session at the AFEA's annual meeting was devoted to the topic, “Welfare Implications in Marketing Research and Extension.” Lawrence Witt saw few problems in the “welfare implications of technological advance.” He was concerned mainly for comparative benefits to farmers versus consumers. However, he took note of welfare implications of labor-saving technology for laborers (often negative). The welfare aspects of pricing efficiency gave him more trouble; and in this case the question was a three-way division of impacts among producers, marketing firms and consumers. Witt took note of the possibility of some degree of monopoly at places in the marketing system. Witt's only generalization, applied to both technological and pricing efficiency, is that it's better to spread the gains than to concentrate them "in a few individuals and firms" (p. 920).

Professor Witt's remarks would not now be credited as high scholarship but they were reasonably consistent with the state of the art of the time.

Marketing's Position in a Social System

The researchers who were first to respond to the RMA were diligent and resourceful, but they were not social philosophers. A number of those who followed later set a better record, displaying various of the competencies of a social scientist that Kohls begged for.
Definitely in early years, and to some extent later too, the marketing research and service activities undertaken in response to the 1946 law reek of the credo, "Get things done efficiently and don't be too concerned as to who benefits." Witt's offhand judgment about spreading the benefits is consistent with the minimum attention given to welfare considerations during those years.

Perhaps the overriding question of fifty years ago, and of today too, is, "Who ought to benefit?" The classic answer in Economics 1 as taught in almost any college is, "the consumer." In an economy on the brink of privation that answer is unchallengeable. But was Congressman Flannagan totally off base in wanting farm producers to share in the bounty promised from the further application of science to production and marketing? For that matter, for which of their roles in life do most persons show the greater concern, that of a producer (career choice and enhancement) or of a consumer? Probably the former.

Moreover, according to the tenets of welfare economics, the interests of all participants in the marketing system are to be given consideration. Acceptable wages for the work force, and even satisfaction value in employment, are not excluded, nor is workplace safety. Such conscience-tugging matters were rarely even noted in the vast literature that emerged from the RMA.

In the resource-wealthy United States, both the flow resource of land (flow if conserved) and the stock resource of minerals (including fossil fuels) have long been taken for granted. As of the 1950s, the design of programs of agricultural research, including marketing, found little room for preservation of resources and protection of the environment. Those foci date from a later era.

And who raised questions about the social and economic philosophy of an open exchange market as an instrument of democracy—its essentially egalitarian make-up—as contrasted with the internal command-bureaucracy that is implicit in very large, vertically integrated structures? No one, apparently. It can be called a long-term shortcoming of marketing economists that, except for Kohls and a few others, they are not social philosophers.

New Directions

By the middle 1950s, marketing work was actively underway in all the phases commissioned by the RMA. Marketing research was being conducted in the USDA and in a great many state agricultural experiment stations, individually or in the regional collaborations that had been specifically authorized. State departments of agriculture or bureaus of markets were devising their versions of marketing service activity, and extension services everywhere were trying not to be left out in marketing education.

Marketing service and educational activities are reported on separately below.

Although this review of the RMA and what it generated is not entirely chronological, by luck of the draw—the draw often being the personality of the persons drawn into the project—the nature and scope of activities was broadened from time to time. Selected instances will be cited here.

The "Engineering" Approach. Ray Bressler of the University of California-Berkeley was one of the most listened to exponents of an engineering approach to marketing efficiency studies. Often the work done under that rubric was truly interdisciplinary, involving living and breathing engi-
neers. As Bressler was prominent in the marketing field, his evaluative comments and justification for an engineering component merit quotation:

...the past decade has seen a significant improvement in our marketing research....The stress on improved efficiency...has led to an expansion of work beyond introductory and descriptive phases and into operational aspects of marketing facilities....

Perhaps the most important factor in improved marketing research has been the adoption and application of industrial engineering techniques, both by agricultural economists and by active participation by industrial engineers....

...I consider the primary contributions [of studies of this type] to be: (1) emphasizing the advantages of interdisciplinary cooperation...; and (2) emphasizing the study of elements in operational terms, and the synthesis of these elements into new and different organizations... (pp. 947-48).

The Structure of the Market. Perhaps no one term caught on as quickly and was held to as tenaciously as "market structure." It was later embellished as the troika of structure, conduct and performance.

It all got started when someone noted the growing place of chain stores in food retailing, particularly those of the supermarket variety, and pondered their significance. "What does giantism in retailing mean to food marketing?" was the question that came to more than a few minds.

The existence of firms large enough to wield some degree of monopoly power had long been known. Most were lodged in processing. The beef trust and sugar trust had been favorite targets of muckraking journalists if not economists. But giantism in retailing was new.

A signal article on changing structure—or, perhaps better stated, on recognition of what had been underway for some time—was George Mehren's "The Changing Structure of the Food Market" published in the *Journal of Farm Economics*, May, 1957.

Mehren left scarcely any feature of structural change unremarked-on. However, three categories are fairly clear. One category is the familiar statistic of firm numbers and size, stock-in-trade of industrial organization studies. A merger movement was underway among supermarket chains, giving the new companies a capacity to influence the terms of competition that they formerly lacked. The second category related to contests in differentiation of product and the merchandising practices of monopolistic competition. The latter were epitomized, Mehren suggested, in the "brand battle." The battle was not just the old billboard rivalry between Washburn-Crosby's and Pillsbury's flours ("Why not now?"—"Because Pillsbury's best"), but a maneuvering by processors to induce the new supermarkets to feature their brands.

The third category is summarized by Mehren in the abstract language of "a systematic integration of product planning, procurement, manufacturing, and merchandising" (p. 339).

Alert economists soon noted and reported a characteristic "conduct" pattern, namely, a criss-cross relationship between processors and retailers. Big processors sold their nationally advertised brands to the smaller retailers, who welcomed them. Large supermarket chains directed their procurement to smaller processor-suppliers, particularly for
the private labels they relied on to keep them out of big-processors' clutches.

Agricultural economists delving into the intricacies of the marketing system for farm products were, in the final analysis, interested in the system's performance. Helmberger and his co-authors who, in 1981, summarized the literature of agricultural economics relative to marketing, focused on the connection between structure and performance. However, as indeed they noted, Joe Bain had made waves by inserting conduct between structure and performance. Marion and Handy, among others, converted the structure-conduct-performance linkage into a sophisticated conceptualization. It never failed to cause a degree of discomfiture, inasmuch as structure and performance can be observed determinately but conduct is more elusive. Economists prefer determinate values.

Vertical Integration; Non-Price Market Elements

The simplistic view of the farm product marketing system in which the RMA had been conceived, and the neoclassical analytical paradigm on which the marketing researchers of the time conventionally drew, made for a comfortable and scarcely challenging research enterprise.

But the notion of structure and its bearing on ultimate performance, combined with empirical observation of a growing structural diversity, was disturbing. Increasing concentration and product differentiation in retailing were noted above. At the other end of the marketing chain there appeared a different kind of structural change. It did not involve market transactions for a price; and it was of a genre with other market "conduct" that was essentially non-price.

The farm-level departure was vertical integration in its various forms. Long established in fruits and vegetables for processing, at mid-century vertical integration was enveloping broiler production and other poultry enterprises. It was due to reach into cattle feeding and hog production, first tentatively and then on a scale to threaten complete structural transformation.

As of the early 1950s most marketing economists conveniently disregarded the emerging developments. However, in 1955 Richard Kohls and J. W. Wiley published an article on broiler integration that may have been one of the first such studies to appear; the authors cited few previous ones. But Ewell Roy soon became the most prolific writer on integration in poultry (cf., his article in the December, 1958, issue of the Journal of Farm Economics and a follow-up article by Kohls). Thereafter the integration (ownership or contractual) as a departure from price-governed exchange was not neglected. It nevertheless was upsetting to economists, particularly those who took seriously Kohls' admonition about viewing marketing in terms of a social system.

Collins wrote more broadly about a diminishing role of price in agricultural marketing. "Avenues [other than price] for coordinating the activities of different firms have been increasingly employed." In some parts of the general economy "complete integration based on ownership occurs. But, in agricultural marketing, varying degrees of incomplete integration are commonly found" (p. 510). Collins might, as of the mid-1990s, write that integration in agriculture is not so incomplete as when he wrote.

Statistical Techniques. During the 1950s, complex new statistical techniques were being introduced in price analysis and else-
where. It was natural and even inevitable that econometrics would be prescribed for statistical analyses in marketing. Anthony Rojko wrote specifically, under the heading of marketing and marketing research, about econometric models for the dairy industry.

It is questionable whether Rojko convinced his contemporaries. Many of them, along with Kohls, were more concerned to offset shortcomings in "the development of useful theory and generalizations which will aid in anticipating and solving future problems" (Kohls 1961, p. 100). Furthermore, the flow relationship from structure to conduct to performance, a common reference point in marketing research, was seen as notoriously flawed by the absence of a determinate relationship between structure and performance. If indeterminate, statistical tests of relationship cannot be applied.

This is not to deny, however, that imaginative work was done relative to data and methods of analysis. As one example, Max Brunk wrote in 1958 about intrepid application of experimental design to marketing research. His explanation for turning to it fits so well with the above observations that it is worth citing.

Much marketing research is concerned with the making of reasonably accurate predictions from some systematic study of the market structure. Both the crudeness of the device used for the determination and measurement of causal forces and the unknown conditions under which marketing investigations are commonly made restrict the researcher's ability to place a quantitative evaluation on the accuracy of his predictions. The degree of reliance placed on a marketing research result is therefore, more often than not, subjectively determined. In the absence of statistical criteria, public acceptance is based on the reputation of the researcher, argument or repetitiveness of presentation (p. 1237).

Against such a background, Brunk tells us, marketing researchers have adapted from the "recently developed experimental theory touched off by R. A. Fisher in the biological sciences" (p. 1237).

**Group Action**

So obvious as to need no citation is the absence, in the *weltanschauung* of farm-product marketing in 1946, of group or collective action. To be sure, farmer marketing cooperatives were known to exist and were regarded as harmlessly active. They had their own cultural enclave, which successfully qualified for a considerable amount of RMA funds for carrying on their research investigations.

Collective bargaining, however, was too redolent of labor unions to be included in the repertory of honorable marketing activities.

But too much was happening to allow group action issues to remain tucked away under pillows. Some farm groups deplored their limited capacity for collective action at the farm-marketing level. Their plaints helped to initiate a Food Marketing Commission study (see below).

In 1959 Willard Mueller, then chief economist for the Federal Trade Commission, commented at the annual meeting of the American Farm Economic Association that "the most prominent marketing problems of the 1940s, as viewed by many farmers, their cooperatives, food processors, distributors, and public officials were matters of market
power and bargaining, price discrimination and predatory practices, vertical integration and contract farming. Mueller added that these matters did not "lend themselves to analysis by the tools most familiar to marketing economists" (p. 1369).

Willard Cochrane, concerned for the newly exhibited procurement power in food retailing, introduced the idea of countervailing power:

A new type of market is...beginning to take shape at the farm level, a bargaining market, in which farmers are using in some instances... the limited power of cooperative action to countervail against the typically greater but still limited power of large-scale vertically integrated purchasing organizations. It will remain a market so long as farmers remain independent agents... (p. 412).

In 1963 Peter Helmberger and Sidney Hoos published their now-classic article, "Economic Theory of Bargaining in Agriculture."

Within a few years, collective bargaining in agriculture would briefly hold a bright spot in the sun as Ralph Bunje, Berkeley Freeman, and other professional operatives appeared on agricultural economics programs, and extension services put out reports on the subject (see Breimyer, 1971). But interest dimmed almost equally rapidly.

Produce What Consumers Want or Induce Them to Want What is Produced?

Not least of distinctive features of the remarkable RMA of 1946—specifically, in this case, its Title II—was its recognition, if veiled, of a bifurcation relative to the consumer that has long perplexed practitioners and analysts alike. Is the marketing function one of serving, even catering to, consumers' wishes? Or can resources properly (justifiably) be used to shape those wishes? In other words, what, if any, is the proper place of advertising and promotion, often known by the more euphemistic term of market development? Promotional activities may serve the interests of individual units in the marketing system, whether of a firm or a commodity sector. But what are the more broadly embracing consequences, even to society?

Fletcher in 1963 addressed the issue with some care. "Maximization of consumers' satisfaction" is one of the "widely accepted goals for the economy." Underlying it is the "principle of consumers' sovereignty." "This signifies that the consumer is king and production should be directed toward meeting his wants." But "in our mass merchandising society...few would claim that the consumer is truly king." Much "advertising and product development is linked to persuasive differentiation which does damage to the sovereignty principle....In addition, consumer choice can be limited by an increasing use of nonprice competition to the exclusion of price competition...." (p. 1257).

Congressman Hope, as co-author of the law, definitely had in mind serving the extant interests of consumers, although he also counted on backflow benefits to farm producers. So it was that Section 203(f) was written to require the secretary of agriculture "to conduct and cooperate in consumer education for the more effective utilization and greater consumption of agricultural products...." Under this aegis extension services in many states, carrying out their educational mandate, hurried to put consumer education programs in motion.
The other tine in the forked consumer-relationship road was not overlooked in the 1946 law. Section 203(e) calls on the secretary "to foster and assist in the development of new or expanded markets...." This appeared to legitimize a wide range of promotional practices, many of which had been regarded in academic circles as questionably effective and sometimes tawdry.

A follow-up proviso in the law is both interesting and revealing. It reads: "Provided, that no money appropriated...[in 203(e) or (f)] shall be used to pay for newspaper or periodical advertising space or radio time... (U.S. Congress, p. 1088). (emphasis Breimyer).

One of the responses to 203(f) was a legion of consumer preference studies. They popped up everywhere. For the first time ever, householders found their opinions about flour, shortening, or milady's dress fabrics to be unctuously solicited. Rhodes, doubting that screen door inquiries yielded much reliable information, collected preference data for beefsteak after sample steaks had been grilled at home (pp. 519-527).

Herman Southworth, however, was messenger for a coterie of thinkers who delved into the psychology and sociology of consumer motivation. Earlier, Southworth wrote, a simple thesis that "consumers seek to maximize 'utility' was generally accepted as furnishing an adequate explanation of their behavior...." But the principle came to be "widely criticized as an inadequate, perhaps wholly false, representation of consumer motivation..." (p. 1071).

The cloudy area of promotion proved more alluring to commodity and trade practitioners, who had never heard of the fallacy of composition, than to academic scholars. Nonetheless, even so eminent a person as Frederick Waugh applied scholarly scrutiny to the topic. In 1959 he called for research on the effectiveness of promotions; and two years later he and Marc Nerlove (cf., Nerlove) reported on "some implications" of a study of the advertising of oranges.

By and large, though, enthusiasm for commodity promotion in the marketing of farm products did not reach a fever pitch until much later. The topic will be touched on again in this report, but it may be doubted that later "happenings" can be traced linearly to the RMA of 1946.

**Fading Fervor in the 1960s**

In 1964 Congress addressed marketing issues in agriculture anew. It legislated into existence a National Commission on Food Marketing, and charged it with exploring in depth the performance of the farm product marketing system. More specifically, its *raison d'être* and mission were as expressed by George Brandow, its executive director: the commission...

...was to study and appraise the changes taking place in the "marketing structure" [that term again!] of the food industry and where they might lead; efficiency; services to consumers; market power; regulatory activities; services such as market news; and the effects of imports....The central question was the nature of competition in the food industry and how well it comported with the goals of efficiency, equity, and diffusion of power (p. 1319). (bracketed comment Breimyer).

These objectives bore more than a little resemblance to those of the RMA. It is something of an anomaly that a new in-
A depth study should be initiated following a decade and a half of spirited RMA-sponsored activity. But by the early 1960s a widespread judgment could be sensed that marketing problems are virtually intractable, or at least not readily resolved via the scientific research in which the authors of the RMA had placed so much faith. By the later 1950s, the accomplishments creditable to that law got a mixed press. Kenneth Ogren put it forthrightly: "The great expectations of some sponsors of [RMA] were not realized..." (p. 1344).

New leadership in economic research within the USDA contributed to a loss of momentum in RMA-sponsored marketing activities. A new secretary (Orville Freeman) and director of economics (Willard Freeman) had escaped RMA indoctrination. Then, as though to compound the thwarting of both faith and action in scientific marketing inquiry, the commission itself had no follow-up. A denouement in marketing work had begun.

**Commission Sponsors**

Proposals to establish a commission had come from various sources, including farm marketers. George Mehren, who had recently arrived from the University of California to be an assistant secretary of agriculture, was the most prominent instigator. However, more credit for setting the enterprise in motion goes to S. R. Smith, administrator of the Agricultural Marketing Service.

Even more significant than the political sponsors of a commission study and their grievances were the structural changes in the marketing system that obscured much of its functioning and challenged marketing economists' competencies. Market structure and marketing practices past the farm that evolved so fast during the 1950s and made farm marketers apprehensive were not stock-in-trade of neoclassical economists. Granted, the diminishing number of firms, themselves ever-larger—a violation of the terms of perfect competition—was well known to scholars. But the more upsetting structural trend was the enveloping of marketing functions and firms' decision making into an internal administrative apparatus. Fewer of those functions took the form of ownership-transfer, at a negotiated price, in market exchange. Internalization made the marketing process less amenable to conventional analysis, and particularly had the damaging effect of denying data. Researchers found themselves frustrated in obtaining information from highly integrated firms.

It was no minor endowment of the Food Marketing Commission that subpoena power was theirs to use. The commission rarely if ever employed it; the capacity to do so was sufficient.

**Commission Make-Up and Product**

The National Commission on Food Marketing as established by Congress was comprised of five senators, five members of the House of Representatives, and five public members appointed by the president. Its chairman was Phil S. Gibson, a retired federal judge.

The commission set up five research projects headed by agricultural economists. It held a number of public hearings and eventually published results of ten technical studies and a final report.

Brandow's summary of commission conclusions is revealing. The majority report called for restraining concentration among food firms while facilitating collective action by farmers. It was a sort of balancing act.
Where concentration was already high, the commission majority declared, further horizontal mergers should be denied under antitrust rules. Demonstrating faith in the "salutary effect" of public disclosure, the commission suggested that "large conglomerate and integrated firms should report operating results by major fields as well as for the total company." Proposals to strengthen farmer bargaining power centered on cooperatives and bargaining associations and making wider use of marketing orders (pp. 1324-1325).

These conclusions and recommendations bore little relation to the manifold activities that had been carried on under the aegis of the RMA, most of which were as undisturbing as how to display fresh celery or report apple prices. The expressed need for a commission study had itself been something of an affront to the entire RMA operation and its minions.

It may not be too surprising that the commission's findings and advocacies got a mixed reception in academic circles. They divided the scholars of marketing as sharply as the hand of Moses had separated the waters of the Red Sea. When the American Farm Economic Association devoted part of its 1966 annual meeting to the commission and its report, George Brandow took more than a little flack. Perhaps not more than a third of agricultural economists were sympathetic.

**Post-Food-Commission Years**

**Developments**

It surely has been made clear that the strong thrust forward in marketing research and service activities, attributable first to the RMA and then briefly to the Food Marketing Commission, lost much of its force beginning in the later 1960s. This is not to deny that a considerable amount of useful activity was carried on, some of it imaginative. A few examples will be touched on briefly here. But the evangelism had disappeared, and at the end of a half century the developments specifically attributable to the landmark 1946 legislation had largely dissipated. This is not to suggest that life in the farm product marketing sector in the mid-1990s would be the same had there been no RMA. Far from it! But the linkage that was so strong for twenty years loosened and weakened thereafter, and became less readily traceable.

In human affairs, responsibility (or perhaps guilt) for a waxing-and-waning sequence is commonly charged to the agents thereof—the individuals or the institutions that were directly involved. Insofar as an eclipse in interest in farm product marketing is attributable to internal malfeasance, it can perhaps be put in terms of the word used in opening pages of this paper: particularization. That word described the early marketing work under RMA auspices, and as Farris implied in a 1983 commentary, it remained too apt a characterization many years later (p. 8).

On the other hand, it would be inaccurate and unfair to say that market researchers (and service people) did it all to themselves. As was noted above, relative to the Food Commission study, the scene itself changed markedly. Evolving events had much to do with sweeping away interest in marketing as a sector in which applied knowledge would promise signal gains for farmers and for consumers. Progressive envelopment of production and marketing decision points into internal firm management continued relentlessly. Transfer-of-title transactions,
exposed to the market, played a diminishing role in the overall marketing system.

Post-Marketing-Commission years also saw a virtual obsession with market development—advertising, promotion and, we could fairly add, implicit and explicit subsidies in the export market. Much of the "promotion of promotion" originated with farm commodity organizations. Their leaders felt frustrated relative to the mastodons into which their product moved, but they were capable of hawking the merits of what they delivered. An illustrative case in point was the terms of marketing orders, which had long been an important arm in marketing milk and fresh fruits and vegetables. The first fruit and vegetable orders denied authority for levies for promotion. Producers became restive; if Del Monte could advertise, why couldn't they? Floyd Hedlund and other USDA veterans replied with their question: "Why should peach producers spend their money telling consumers to choose peaches, only to have the pear people respond, 'No, buy pears,' leading to a stand-off but higher marketing costs for everyone?" The Hedlunds lost out; farmer-members persuaded Congress to add market development to the authority under marketing orders.

Economists continued to be perplexed and divided among themselves. How can the effect of promotion be measured when the ceteris paribus condition cannot apply, and when there is no valid control? But some tried. Olan Forker of Cornell University tried as hard as any one, and his book, co-authored with Ronald Ward, Commodity Advertising: The Economics and Measurement of Generic Programs, is one of the more comprehensive of published works on the subject.

With regard to export subsidization, free-trade economists have been categorically skeptical or opposed, while Robert Paarlberg at Wellesley College has warned of the near futility of the costly exercise. Generally, though, the issue has not been a researchers' favorite.

Paradoxically, even though it may be difficult to show that many features of farm product marketing today have their roots in the RMA of a half-century ago, one development of the present generation fulfills almost precisely one of the dreams expressed in that law. It is the improvement of the nutritive quality of consumers' diets. It shows up in today's nutritive labeling laws, and possibly even more creditably, in the revolutionary rejection of fat in meat. Grade standards for meat animals and meat have been remodeled, and meat handling altered; and producers have responded with new genetic selection. Market researchers can take delight in the indisputable evidence that the redefinition of quality in meat grew, in part, out of the consumer preference studies of the 1950s that the RMA funded.

Market researchers in recent years have devised a number of concepts and analytical techniques by which they hope to update their investigative and reportorial skills. The structure-conduct-performance chain lasted a long while and still appears occasionally. For a time, the notion of "administered price" occupied the attention of market researchers. It recognizes the empirical fact that many prices are not market determined but posted by firm managers. A little later, fewness (of firms) in the market was said to be non-threatening because non-equilibrium prices were contestable—they were subject to the threat of competition from a potential entrant.
The lexicon of marketing has always been fluid and sponge-like, accepting new models and innovative terminology. Their survival rate is not notably high.

What the RMA Wrought

What can be said, after fifty years, about what the marketing portions of the Research and Marketing Act of 1946 brought about? The following evaluation addresses five of the more important outcomes of the law:

1. Recognition of the Place of Marketing

The first product of the RMA as it related to marketing was intangible yet important. It was the enormously increased attention given to marketing in all its aspects and particularly the three kinds of activity specified in the law, namely, research, service and education.

Heads of government, both federal and state, experiment station directors, directors of extension, and private organizations too, found themselves newly aware of the place of marketing in the farm and food economy and the many facets that lent themselves to their or their staffs' expertise.

Also, they learned of the money available for projects that met announced criteria.

The fact that the blaze of enthusiasm so lit burned brightly for no more than twenty years does not of itself detract from the esprit that the 1946 law engendered.

Also intangible was the new prominence (beginning in the 1950s) of agricultural marketing courses in university curricula. Students majoring in agricultural economics were required to enroll in one or more of them. It was common practice, too, for students pursuing other majors to select an agricultural marketing course as an elective.

Although no census of marketing texts was ever taken, it is likely that Kohls's *Marketing of Agricultural Products* was the most widely used. It was published in several editions including a later one co-authored with W. David Downey.

The Kohls approach was that of the make-up ("structure") and functioning of the marketing system. The author did not hesitate to express or at least imply critical judgments about it.

A number of years later student interest in agricultural marketing waned. Courses took on more of an agribusiness flavor, and texts tended to feature principles of the management of the marketing firm.

2. Publications

RMA also resulted in tangible products. The most obvious, and arguably most enduring, were publications. They showed up, it seemed, at just about every spot into which RMA dollars trickled. It would be impossible to inventory or even count them. Many agencies were involved in turning them out, in forms ranging from extension leaflets to scholarly works of immutable quality.

The Marketing Research Reports (MRR) published by the USDA can be regarded not only as illustrative of the publication output, but the most important single publication series to emanate from RMA marketing work. For many years the Bureau of Agricultural Economics (BAE) and its successor agencies were responsible for the MRR series, but various agencies authored them.

Anyone expecting highly technical reporting on abstruse subjects to come out of the highly publicized RMA operation was certain to have been surprised by what actually
was produced. MRR 1, *Survey of Canvas Awning Fabricators* was labeled as one of a series of reports on industrial consumer preferences. MRR 2 was *Transport and Handling Costs of Selected Fresh Fruit and Vegetables in the San Francisco Bay Terminal Market Area* and MRR 3, *Eating Places as Marketers of Farm Products*.

MRR 7 came, not from the BAE, but the Production and Marketing Administration: *Some Improved Methods of Handling Groceries in Self-Service Retail Food Stores*.

Five years later (1957) the titles of MRRs revealed little redirection of marketing research: *Women's Attitudes Toward Wool and Other Fibers; Fabrics and Fibers for Passenger Cars; Institutional Market Potential for Oilseed Proteins; Do Trading Stamps Affect Food Costs?* After another five years (1962) interested persons could learn about *Promotional Programs for Lamb and Their Effects on Sales; and about the Organization of Wholesale Fruit and Vegetable Markets in Washington, DC, or Little Rock, Pittsburgh, or any of several other cities*.

The outflow of MRRs slowed later, but titles stayed true to pattern. In 1982 number 1177 evaluated *Two Bread-Delivery Methods from Supplier to Retail Store*.

The USDA's *Agriculture Information Bulletin* series occasionally included a report on a marketing topic. As a selected example, a bulletin of September, 1984, was titled *Generic Advertising of Farm Products*.

3. Regional and Joint State-USDA Research

Provisions for regional research, including that in marketing, and for cooperative state-federal marketing research projects, were a major feature of the RMA. The research process so initiated took on its own distinctive form, often unprecedented, and so may be regarded as a "product" of the law. It was important in terms of the research publications that resulted from it, and as a procedural precedent for the future.

As was explained in opening pages of this report, Section 9 of Title I made available for regional research up to 25 percent of the funds appropriated to state experiment stations. A committee of nine had to approve each project. As a sizable part of Title I research was directed to marketing, it followed that regional marketing research took on a distinctive size and character.

The regionalization idea had long had popular appeal. It was easy to chastise state stations for being too individualistic, and particularly for duplicating similar research done by its siblings. But the terms of Section 9 were sometimes regarded as a straightjacket. Getting a committee of nine to approve a project could constitute a barrier to innovative or controversial research programs.

Title II provided for cooperative research between the USDA and state stations, with fewer restraints. If a state offered a well-thought-out proposal to the USDA, chances were high that it would be approved. State money had to be "new," however, not a reallocation.

According to some early reports, regionalization under Title I worked more smoothly than the looser cooperative relations under Title II. In 1949 Trelogan called the federal-state relations under Title II "an outstanding unsolved problem" (p. 484). Yet later judgments credit the Title II operations as being the more diversely imaginative. Not only was the research product highly creditable, but what may be called a joint product of a joint undertaking—more than a by-prod-
uct—was the training given to perhaps hundreds of young agricultural economists who previously thought the only respectable fields to be farm management (later, production economics), prices and policy, and farm credit. Thanks to Title II, marketing was added.

4. Marketing Education and Service

Not least among provisions of the RMA was that of Title II for cooperative work with state extension services on marketing education and, with state departments of agriculture or bureaus, on markets relative to what was broadly known as market services. If such an injunction was new to gray-bearded agencies of the USDA, each comfortable in its neatly furbished niche, it was even more of a novelty to the state agencies. Federal-state cooperation in extension had of course been an established practice ever since 1914 but much more prominence was given to production than to marketing. Activities of state governments in market information, inspection and regulation necessarily conformed to any federal law, and conflict was usually resolved without too much acrimony, but the idealized objectives of Title II were shockingly strange.

Both extension personnel and state governments responded, sometimes reluctantly and sometimes with gusto. They did so in a medley of ways. Many of their undertakings proved short-lived. Nevertheless, life has not been quite the same since.

Extension was perplexed because the proposals of Title II essentially reversed established educational and jurisdictional relationships. The local county agent had long been heralded as the focal point of extension education. The comparatively small extension service office in Washington, DC, provided supporting service to state offices, which in turn gave all possible succor to the agent lodged in the local courthouse. The agent was kingpin.

In a summary word, agents of the time were generally well versed in making choices from among grain varieties or balancing a cow's ration. They didn't pretend to know much about marketing or how to conduct educational programs on the subject.

The outcome was to give a push forward to what later became a more prominent pattern in extension. It was to rely more on state (or sometimes multi-county regional) specialists for conducting educational programs on relatively technical subject matter. Radio, and, later, television, became a commonly used medium.

So it was that what could be labeled affirmative action put women having both economic and home economics training in specialist positions in nutrition education. So it was too that extension production specialists completed a course or two in marketing and filled an educational spot created by an inflow of RMA Title II money from Washington. Often, commodity promotion proved to be attractive and rewarding to recruits into marketing extension. Foreign market development was most exotic of all, and not a few extension marketing specialists joined in group tours to countries that are our biggest markets, and, on returning, told what they had learned.

It was obvious that Title II was just as fertile a training ground for newly anointed extension specialists in marketing as for apprentice researchers.

Title II as extended to state departments of agriculture and bureaus of markets may have served even more dramatically to uplift and enrich the status of personnel already on the job or newly enlisted. Generally, state
services in marketing had been almost confined to providing marketing information and carrying out various inspection and regulatory assignments. Not too long after the RMA was enacted, state civil servants found themselves charged with new assignments in commodity promotion. State check-off research and promotion laws were being enacted, it seemed, ubiquitously. Staff persons who had been charged with only getting marketing news data on the wire fast found themselves involved with a check-off promotion law.

Washington officialdom that had to approve state projects could respond without dismay to generic promotion, particularly for export. Teaching eastern Europeans to feed soybean meal could elicit equal boosterism in Iowa and the Mississippi Delta. But promotion of, say, West Virginia apples under a state-origin label was frowned on by Washington keepers of the exchequer. That was seen as state fighting state.

Other state department personnel took on strange new assignments, such as helping local food processors meet sanitary standards. Tom Porter, onetime director of the Federal-State Marketing Improvement Program of the Agricultural Marketing Service, confirms the emphasizing of market development but enumerates programs as diverse as reducing spoilage in fresh products, helping to lay out marketing facilities (such as city produce markets), working for lower freight rates, and devising new market information reports (pp. 1-3).

In state marketing services too (as in research and extension) the most impressive "development" under Title II may have been the development of competency and elevation of outlook among staff personnel. Among the experiences that gave them more sense of mission was attending national workshops on farm product marketing that were a major project of the RMA. At the workshops they mingled and shared experiences with persons in similar positions in other states.

5. Marketing Workshops

The workshops just referred to came into being in the 1950s. They were devoted to a variety of marketing issues. Held at various locations, they proved to be a signal undertaking spawned by the RMA of 1946 and especially its Title II.

Attendance invariably was large, and as intellectually polyglot as a national convention of a political party. The recognized bright minds of marketing rarely were absent and usually contributed to leadership, but the workshops attracted persons from every niche that the 1946 law touched: researchers in the USDA and other government agencies; their counterparts at state universities and experiment stations; a wide variety of employees of state departments of agriculture and bureaus of markets; and more than a few professional persons from private marketing organizations and firms.

Topics of workshops covered virtually the entire range of activities authorized by the 1946 law. The 1956 workshop was devoted to "the use, appraisal and prospect of marketing research" (Kohls 1947, p. 1600) but as a rule the issues addressed were more narrowly circumscribed and of a more "how to" focus (how to put out market news, how to promote).

A summary appraisal by Farris is apropos:

"The...workshops...brought together marketing researchers from the USDA and land-grant universities and served as forums and stimuli for new activi-"
ties, ideas, and approaches in marketing. Expansion of regional research...brought researchers with similar interests together, increased interaction and communication, and broadened the range of marketing studies....But as time passed, it was gradually being realized that the product of increased research activity in marketing [as being conducted] consisted of many fragmented studies on a variety of topics. Although they added to knowledge in particular areas, some broader questions relating to organization and performance of production and marketing systems as wholes were being neglected... (p. 8).

Epilogue: Evolving Structure of Marketing Research

The notion of structure that reappears so often in any review of marketing issues can be applied to the conduct of marketing research. The RMA notably prescribed or facilitated major changes in the research structure that prevailed at the time. Later, as the instrumental role of RMA diminished, much of the research structure it brought about gave way before new forces and trends.

Nevertheless, formula funding of research at land grant universities and state experiment stations has not vanished, nor has regional research. One regional research project of the 1980s, for example, ranks as outstanding by any test. It is North Central Project 117, Studies of the Organization and Control of the U.S. Food System. Directed by Bruce Marion and located at the University of Wisconsin, it issued many working papers that continue to be grist for professorial mills. A few titles illustrate: "Meat Marketing and Pricing—An Evaluation of Current and Proposed Systems" (Clement E. Ward); "Food System Organization and Performance: Toward a Conceptual Framework" (James D. Shaffer); "Formula Pricing and Price Reporting Problems in the Markets for Beef and Pork" (Marvin Hayenga); "Future Organization of U.S. Food System: Implications for Agriculture" (Bruce W. Marion).

Unfortunately, the project cannot be said to have had a material effect on marketing policy. The times were not that hospitable.

Even though, as just noted, some conventional research funding has been retained, it has given way before an upsurge in contract research originating in myriad government agencies and private firms. Also a mark of research in the 1990s is a variety of niche organizations, which may bear labels such as institutes or foundations. A random example is Wayne Purcell's Research Institute in Livestock Pricing located at Virginia Polytechnic Institute and State University.

This report would be incomplete without taking note of other instances of revived interest in marketing including market structure. The apparently irreversible trend toward vertical integration, most recently in hogs, alerts interested parties and, as it has done for half a century, confounds market researchers.

Beyond any doubt, a relentless merger movement is adding steadily to concentration ratios among food processors. It has brought only scattered protests, even among neoclassically trained economists.
Food and Agricultural Marketing Consortium

In view of the dynamics of the 1990s in food markets, and taking note of the interminable waxing and waning pattern in human affairs, we can post the inevitable question: Is interest in marketing likely to wax once more? Does a Kondratieff fifty-year term apply to it? One group of marketing economists thinks so, and their enterprise merits a concluding note. A Food and Agricultural Marketing Consortium, dating from the early 1990s, hopes to revive an appreciation, redolent of the faith of 1946, as to what scientific inquiry can bring to the issues and problems in marketing the products of agriculture. If that intellectual atavism is germane, so perhaps, is a searching query: Will any revival of marketing research repeat the particularism of fifty years ago, or will the marketing system be viewed, as Kohls admonished, in terms of a social system?

NOTES

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