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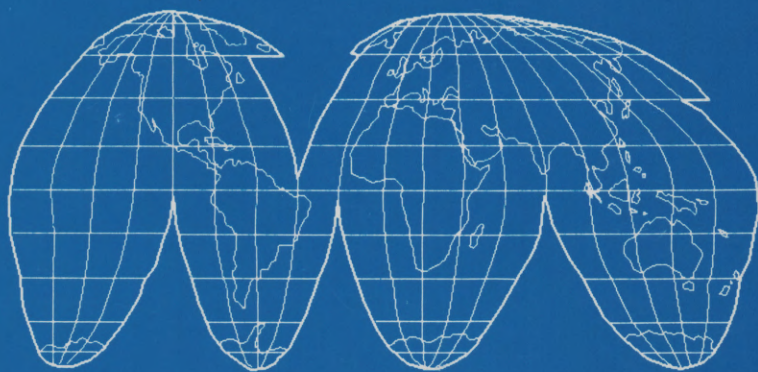
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Commodity Promotion Policy

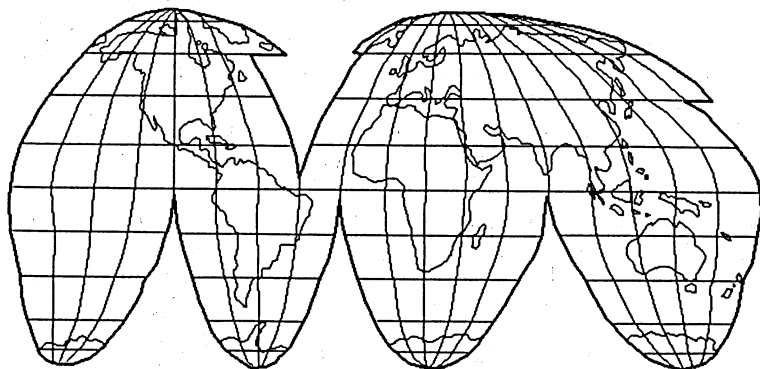


in a
**Global
Economy**

Proceedings of a Symposium
October 22-23, 1992

Arlington, Virginia

Commodity Promotion Policy



in a **Global Economy**

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SPONSORED BY

*NEC-63 Research Committee
On Commodity Promotion
Agricultural Marketing Service, USDA
Economic Research Service, USDA
Foreign Agricultural Service, USDA
Farm Foundation*

PUBLISHED BY

*Farm Foundation
1211 West 22nd Street
Oak Brook, IL 60521-2197
1993*

CHALLENGES AND STRATEGIES FOR THE DAIRY INDUSTRY

Cynthia Carson
National Dairy Promotion and Research Board¹

Cynthia Carson began her presentation with a statement of the National Dairy Promotion and Research Board (NDB) mission: "To carry out a coordinated promotion and research program to help expand domestic and foreign markets for fluid milk and dairy products produced in the United States."

After reviewing consumption patterns for several dairy products and paying particular attention to distribution channels, Carson turned her attention to various elements of NDB's program. These included targeted advertising, various forms of promotion such as ingredient uses in both the food service and manufacturing sectors and export promotion, negative publicity defense techniques, product and packaging changes and non-food uses for milk components. As this list suggests, advertising is only one element of a successful marketing program.

Even within the advertising category, multiple targets are important. Carson stressed that, in addition to consumers, middlemen—who make packaging, appearance and other decisions that influence final sales—are an important audience for NDB's advertising. For example, with about one-third of U.S. cheese being used as ingredients in processed foods, food manufacturers are an increasingly important component of dairy product demand.

Carson presented U.S. Department of Agriculture estimates showing that, between 1985 and 1995, milk production is expected to increase by two to three percent annually, while milk and dairy product consumption is expected to increase by only one to two percent annually. This ever-widening "planning gap" is an especially urgent challenge confronting NDB. In dealing with it they must consider the appropriateness of the full range of marketing activities.

The decision-making system used at NDB tends more toward the continuous than the episodic. Taking opportunity identification as a starting point, at least for discussion, the decision-making process then moves to the development of strategic plans, the allocation of

¹John E. Lenz prepared this summary of Cynthia Carson's presentation.

resources, the transformation of strategic plans into tactical plans, resource mobilization and plan execution, and evaluation. Rather than concluding the process, evaluation provides the impetus for another round. Carson stressed the important role that researchers play in this process. Rather than simply providing a "post mortem" evaluation, the information becomes an important part of an ongoing, evolving decision-making system.