

Referee in the Market

THE FARMER and the consumer have become separated, and Federal, State, and local governments have had to take on more of the job of refereeing the marketing system—of making sure that the farmer gets fair treatment in the marketplace, the wholesaler and retailer get what they order, and the consumer gets the quality of food he wants. Housewives and chainstores alike want a uniform size and grade or quality in the products they buy. To get it, the stores use specification buying. That and long-distance hauling have furthered the use of the voluntary grading services provided by the Federal and State Departments of Agriculture. Wholesalers and buyers for large food retailers regularly order their stock by telephone and telegraph from producers and processors, who may be on the other side of the continent. The buyer is pretty sure of getting what he orders, thanks in large part to USDA grades. The supplier also can furnish Government certificates that the product meets the buyer's specifications; they are issued after the food is checked by Department or Federal-State graders.

The refereeing involves work that touches the operations of more than 3.5 million farmers; 100 thousand local buyers, processors, wholesalers, shippers, and handlers; and 500 thousand retail stores, restaurants, and hotels. Quality grading and inspection services, made available through the Agricultural Marketing Service of the Department of Agriculture in cooperation with the States, cover a wide variety of foods and fibers. In 1961, when farm marketings of agricultural commodities were worth approximately 35 billion dollars, more than 3 thousand Federal employees and 4 thousand employees of the State departments of agriculture and other local agencies were engaged in the grading of commodities for quality and condition. The grading program, largely voluntary, is financed by either a combination of Federal and State appropriations and revenue or revenue alone, paid directly to the Government agencies by the users of the service. The revenue paid by the users in 1961 amounted to almost 22 million dollars—more than 80 percent of the total cost.

When food products meet U.S. grade standards and the products have been graded by a Department grader, the seller may have the grade designation in the familiar USDA shield placed on the product or the package in which it is marketed at retail. Thus the



Floyd J. Mecham, Jr., a Department of Agriculture grader stationed at a creamery in Mason City, Iowa, uses a trier in grading a sample of butter taken from a bulk container. He examines the butter for flavor, aroma, color, body, and texture and assigns the appropriate grade in accordance with U.S. Standards for Grades of Butter.

Ruby G. Cartner, an employee of the Department of Agriculture, looks for the USDA grade shield on the package when she buys butter in a Washington store.



consumer also can be guided in his purchases by the grade designation. Eggs, chickens, turkeys, beef, veal, and lamb cuts, butter, and some fresh and processed fruit and vegetables are among the foods that commonly carry the Government grade shield. The Government grading program is not necessarily one of rating products as best, second best, and poorest. It is rather a process of subdividing highly variable products into uniform or standardized quality groupings. This subdividing and identification of quality by groups permits producers, buyers, processors and handlers, and consumers to select the quality group or subdivision that best suits their requirements.

A number of other inspection services, mostly nonvoluntary, are designed to assure the wholesomeness of food. Within the Department of Agriculture, the Meat and Poultry Inspection Services have been established by the Congress and directed to pass upon the wholesomeness of all meats, meat products, poultry, and poultry products that move in interstate or foreign commerce. These services are supported by appropriated funds and are compulsory upon all processing plants shipping these products in interstate commerce. The Food and Drug Administration of the Department of Health, Education, and Welfare is charged with the responsibility of protecting the public against adulterated, harmful, or mislabeled foods. All States also have food and drug agencies. Many State and local governments also have adopted various types of regulations, such as those governing the processing and distribution of milk, to protect the health of their citizens.

A related type of service, offered by the Department of Agriculture on a voluntary basis and financed from fees paid by the users, is the continuous inspection service for fresh and processed fruit, vegetables, dairy and egg products, and a number of other commodities. While the major emphasis of this service is quality control and quality grading, no plant may have this service unless it meets rigid sanitary standards. One such requirement, for example, is that each room and compartment in which any product is handled, processed, or stored must be designed and constructed to insure clean and orderly processing and operating conditions, must be free from objectionable odors and vapors, and must be maintained in a clean and sanitary condition. Other sanitary requirements cover equipment, facilities, and the premises on which the plant is located. Inspectors are stationed in a participating plant throughout its operating hours. They examine all ingredients utilized, check processing operations, and grade the finished product. Products processed under these services may bear the statement "Packed under the continuous inspection of the U.S. Department of Agriculture." They may also carry the U.S. grade designation on their label.



Federal grades are used by the turkey industry as a basis for paying producers and as a mark of quality for consumers. Nearly a billion pounds of ready-to-cook turkeys are graded every year under a voluntary grading service offered at cost by the Department of Agriculture.



A Federal meat grader uses a roller to stamp the grade on a carcass of beef.

The classification of cotton by grade and staple length is another example of the Department's role as a referee in the marketplace. Cotton is made into heavy industrial fabrics, fine dress goods, and many other products, for each of which a different quality is needed. Cotton varies in length, color, strength, content of trash, fineness, and so on. These properties must be identified, and cotton with similar characteristics is assembled into lots of comparable quality. Classification aids the textile manufacturer in getting the kind of cotton he needs and helps the seller obtain a price based on its quality. Practically every bale of cotton produced in the United States is classed for farmers by the Department. Thus the farmer knows its quality and value. All cotton tendered on futures contracts must be certified by the Department to insure a fair delivery. The Department's cotton-classing services also are used in connection with price-support operations and exports.



A. Elizabeth Handy, a home economist in the Department of Agriculture, examines federally graded turkeys in a supermarket. Seventy-five percent of all young turkeys sold off farms bear the Government grade shield, an assurance of satisfactory quality.

John Vilkaitis, a Department inspector, analyzes a sample of orange juice—a part of the official grade inspection procedure—at a processing plant in Florida.

A consumer selects a can of frozen concentrated orange juice that carries the USDA inspection shield and grade mark.





An inspector cuts a potato to determine the presence and the extent of internal discoloration.



Diane M. Moore, a Department technician, uses a fiber sorter to separate and measure cotton fibers.

Grading of wheat does not carry through to consumers on the loaf of bread, but the United States Grain Standards Act makes it compulsory for everyone selling wheat by grade and shipping it in interstate commerce to have it inspected for grade. This also applies to other grain. Domestic and foreign buyers use the grain grades to facilitate buying and selling without expensive and time-consuming personal inspection.

The Federal Seed Act provides for truth in labeling and advertising seeds shipped in interstate commerce. All States have similar labeling requirements, which apply at the local garden store. It also establishes minimum qualities for imported seed. Certain noxious weed seeds are specifically prohibited. Violation of this act is punishable by fines.

The Department of Agriculture also serves as an umpire in the marketing of livestock, meat, and poultry. The Packers and Stockyards Act of 1921, amended in 1958, regulates business practices of those engaged in interstate and foreign commerce in the marketing of livestock and live poultry and in the merchandising of meat and meat food products and poultry and poultry products. It is designed to protect farmers and ranchers from marketing practices that would deprive them of true market value of their livestock and poultry. It also protects consumers against misrepresentation of product and against unfair business practices that may cause excessive prices. It protects members of the regulated industries from unfair, deceptive, discriminatory, or monopolistic practices of competitors.

The Perishable Agricultural Commodities Act, enacted in 1930,



Elizabeth Wiseman, a seed technologist in the Department of Agriculture, determines the amount of inert matter and weed seeds in a mixture of grass seeds.

also serves as a watchdog over the operations of all who move fresh or frozen fruit or vegetables in interstate or foreign commerce. This act is designed to suppress unfair and fraudulent practices in the marketing of these products. Among the practices it prohibits are unjustifiable rejections or failure to deliver according to contract, fraudulent accounting, failure to pay, misbranding, and other forms of misrepresentation. Commission merchants, brokers, wholesalers, shippers, processors, and (under certain conditions) truckers and retailers are subject to the act and are required to be licensed. Farmers who sell only products they raise themselves need not be licensed. The Produce Agency Act authorizes still another umpiring job. This, a criminal statute, prohibits fraudulent practices in connection with consignments of fresh fruit and vegetables, dairy products, poultry, or any other perishable farm products. This law requires commission merchants or others to make fair and accurate accounting and full payment for any farm produce they receive on consignment. (S. T. Warrington)