

CROSS-CULTURAL RAISINS

QUICK STATS

- ✘ **CONFERENCE:** Spending
- ✘ **TEAM:** Department of Agriculture
- **FUMBLE:** \$200 million annually
- **HOW TO RECOVER THE BALL:** Eliminate the Market Access Program

The Raisin Administrative Committee's infamous raisin reserve was the subject of much public scrutiny this summer when the Supreme Court ruled their price control system kept prices artificially high and violated the Fifth amendment in *Horne v. USDA*.²¹⁶ While the actions of the raisin lobby to take private property "for public use without just compensation" was rightly ruled unconstitutional, the American people may be surprised to know that the raisin lobby has also taken \$38 million in federal funds to pay for overseas marketing costs over the past 17 years.²¹⁷ Federal policy simultaneously tried to boost demand through marketing support while maintaining artificial, above-market prices to reduce demand.

Every year, the USDA Foreign Agriculture Service's (FAS) Market Access Program (MAP) gives nearly \$200 million in American tax money to companies and trade groups to subsidize the advertising, market research, and travel costs of their overseas product promotions. The MAP is one of five FAS programs that provides \$2 billion annually to support foreign market access for U.S. products.²¹⁸ Annual winners of the federal funds include successful corporations like Blue Diamond, Sunkist, and Welch's.²¹⁹

One annual recipient of MAP funding, the Raisin Administrative Committee, has received more than \$38 million since 1998, including \$3 million in FY 2015, to promote their products outside the United States. This generous subsidy is provided in spite of the fact that the

Raisin Administrative Committee already produces 99.5 percent of all American raisins and 45 percent of the entire world crop.²²⁰



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The Raisin Administrative Committee is a group of 46 California raisin growers and packers who manage the now defunct National Raisin Reserve. As the Supreme Court describes in the origin of the Reserve, "the Agricultural Marketing Agreement Act of 1937 authorizes the Secretary of Agriculture to promulgate 'marketing orders' to help maintain stable markets for particular agricultural products. The marketing order for raisins requires growers in certain years to give a percentage of their crop to the Government, free of charge."²²¹ This federally ordained market-control policy had the impact of artificially boosting raisin prices. In an 8-1 decision, the Supreme Court ruled in *Horne v. USDA* that the National Raisin Reserve was unconstitutional under the Takings Clause.²²²

While federal policy created increased raisin prices that hurt American shoppers, another federal program used taxpayers dollars to bolster sales in international markets. One example of the use of MAP funds was a \$3 million advertising campaign in Japan in the 1990s. The campaign featured the animated dancing raisins and used the theme song “I Heard It through the Grapevine.” Tragically the song could not be translated into Japanese, and they just ran the ad in English. The result was incomprehensible shriveled dancing figures that disturbed Japanese children, who thought they were potatoes or chunks of chocolate. Moreover, their four-fingered hands made the viewers think of criminal syndicate members whose little fingers are cut off as an initiation rite. For some reason the Raisin Board struggled to sell their product in Japan

during this promotional period, and the U.S. wound up spending \$2 on promotional costs for every dollar’s worth of raisins that made it to the shelves.²²³

RECOVERY

Federal subsidies for advertising costs total more than \$38 million. The federal policy of artificially limiting supply to boost prices is contradictory public policy that costs American families more at the grocery store and on their taxes. The federal policy to support artificially elevated raisin prices was eliminated by the Supreme Court. It is now time for Congress to take the next step and remove federal support for private marketing endeavors for select industries and companies by ending the MAP.

[For more information, please visit:](#)

[The Wall Street Journal: Supreme Court Strikes Down New Deal-Era Raisin Price-Support Program](#)

[USDA: Market Access Program](#)

[USDA: Market Development Programs](#)

[USDA: MAP Funding Allocations – FY 2015](#)

[Fresno County Farm Bureau: What’s Being Harvested Now?](#)

[Supreme Court of the United States: Opinion: Horne v. Department of Agriculture](#)

[IDFA: Testimony Before the Senate Committee on Homeland Security and Governmental Affairs Subcommittee on Federal Spending Oversight and Emergency Management](#)