IS THIS THE LAST TIME YOU WILL EVER HEAR, “PORK: THE OTHER WHITE MEAT”? 

Madison, WI—Slogans abound in advertising, and some of the most memorable have come from a surprising source: the U.S. Government. These are funded by so-called “checkoff programs,” whereby producers in certain agricultural fields are assessed a fee that goes toward paying for a promotional campaign meant to raise the profile—and profits—for the industry.

In 2002, however, the U.S. District Court for the Western District of Michigan ruled that requiring payment for the “Pork: The Other White Meat” ad campaign violates the First Amendment rights of pork producers by compelling them to subsidize speech with which they might not agree. In October 2003, the 6th Circuit Court upheld the ruling.

UW Professor Kyle Stiegert (Agricultural and Applied Economics) was deposed in the U.S. District Court case to provide testimony as to the economic benefits of such campaigns. His analysis showed that calculated returns from the promotional campaign likely were overstated and that such gains as occurred were not fully transmitted to the hog production sector. “If there are gains to be had from generic pork programs,” Stiegert said, “they probably are very small.”

The USDA and the Pork Producers Association, defendants in the case, are considering whether to appeal the ruling, and the case may find its way to the Supreme Court. Regardless of the eventual outcome, Dr. Stiegert sees waning value in generic advertising campaigns for food commodities. “A campaign like ‘Pork: The Other White Meat’ may actually take market power away from those in the pork industry who produce branded, specialty products.”

Dr. Stiegert says it is unlikely that the court decision will greatly effect the dairy industry’s similar “Got Milk” promotion, which is more highly regulated by the Government. This allows it to fall under a legal form of Government speech, which therefore does not violate the free speech of an individual. “For this reason,” Stiegert says, “all checkoff programs soon may have greater
control from the USDA, stricter guidelines on product quality, and smaller shares of the budgets going toward promotional activities.”

FSRG supports and conducts research on emerging issues regarding the economic performance of U.S. and global food and agricultural markets. FSRG’s rigorous studies of competition in food retailing, food processing, and producer-first handler markets have been used extensively by the Government in shaping and implementing policy.

###