

Beefing Up the Checkoff

Story by
CHELSEA GOOD

Tensions were high at the 2008 Cattle Industry Annual Convention and NCBA Trade Show in Reno, Nev., as Agriculture Policy Committee members voted on a resolution that would mandate a referendum where producers vote on increasing the beef checkoff assessment. The end result, however, indicated a unified position.

As the committee waded through expiring resolutions and non-checkoff new business, everyone seemed eager for the final order of business. When it came, Ben Brophy, chairman, and Tim Munns, vice chairman elect, presided over the discussion, as numerous amendments and even an amendment to the amendment were added to the resolution, which was a combination of similar resolutions proposed by numerous states.

Some producers wanted the bill to be worded “increase the beef checkoff assessment rate to at least \$2,” leaving open the possibility of an assessment greater than \$2. Others felt the open-

ended nature of this wording would make it more difficult to pass in a producer referendum. Some were simply uncomfortable with the idea of an assessment exceeding \$2.

An amendment to increase the assessment up to \$2 was also proposed. This would have allowed for amounts between \$1 and \$2. The amendment was shot down, as some producers felt it sent the message they would accept a compromise under \$2.

However, the committee felt strongly that a dollar amount should be listed in the resolution. They echoed frustrations with how long the policy process takes, and they argued that a resolution without a dollar amount would just slow the process down more.

Finally, an amendment to increase the assessment to \$2 passed, as did the resolution with this amendment applied to it.

It quickly became evident there was broad support of an increase, despite differing opinions on the dollar amount. Nobody spoke against increasing checkoff assessments, and the following resolution passed with a unanimous vote.

Take note of item three in the resolution below, which changes who is eligible to receive checkoff funds. Originally, an organization had to have been established before the checkoff in order to apply to receive checkoff funds for projects. Originally created to prevent the checkoff paying for company startup costs, the committee felt this was an outdated portion of the law that unnecessarily excluded many organizations.

The accompanying “AP Proposed Resolution 27” was sent to the National Cattlemen’s Beef Association (NCBA) board of directors, who could and did amend the text before voting upon it. Their final product was presented for amendments and voting to the general

membership session at the annual convention (see “Cattlemen Request Checkoff Increase” on page 34 or under the General Sessions section of the Newsroom at www.4cattlemen.com). The resolution will be mailed to the entire NCBA membership for voting.



Editor’s Note: This article is one of many covering committee work done during the convention. For additional coverage, visit www.4cattlemen.com. This web site provides online coverage of the event provided by Angus Productions Inc. (API), publisher of the Angus Journal and the Angus Beef Bulletin. The site is made possible through sponsorship by Salt Creek Ranch of Memphis, Texas. For more information contact Shauna Rose Hermel, editor, at 816-383-5270 or shermel@angusjournal.com.

AP Proposed Resolution 27 Beef Checkoff Resolution

WHEREAS, the Beef Checkoff is a self-help program developed by producers and for their benefit, and

WHEREAS, producer investment in the Checkoff has helped improve beef demand through the program’s first 20 years by funding important promotion, research and education projects, and

WHEREAS, two decades of inflation have cut into the amount of funding the Checkoff can provide for these essential programs, and

WHEREAS, a 2006 producer survey conducted by USDA confirmed 72% of producers approved of the Checkoff Program.

THEREFORE BE IT RESOLVED, the National Cattlemen’s Beef Association and affiliated state cattlemen’s organizations support the following modifications to the Beef Checkoff Program:

(1) Revise the beef referendum process to provide producers the opportunity, at regular time intervals, to petition for a referendum on continuing the Beef Checkoff Program. Ten percent of producers signing the petition at county offices will trigger the USDA to conduct a vote within a year.

(2) Also establish a similar process to provide beef producers the opportunity to petition for a referendum on increasing the Beef Checkoff. Ten percent of producers signing the petition at county offices will trigger the USDA to conduct a vote to increase the Checkoff rate.

(3) Any reference to the charter date of an established national nonprofit industry governed organization should be eliminated.

(4) Increase the Beef Checkoff assessment rate to \$2 for the purpose of adequately funding an effective beef demand building program. Ensure a referendum is held so all producers have an opportunity to vote on the increase.

