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## Voluntary Checkoff Program Participation Act

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Under checkoff programs overseen by the U.S. Department of Agriculture (USDA), agricultural growers, handlers, producers, importers, and other stakeholders in the marketing chain join together to pool resources for generic marketing and research of their products. Because these commodities are homogenous, some argue that promoting the commodity as a whole can be more effective than promoting individual brand names. Together, these stakeholders have promoted such domestic slogans as “Got Milk?,” “Beef. It’s What’s for Dinner,” and “Pork. The Other White Meat” to consumers. These marketing promotions are directed by multiple boards and are funded by checkoff dollars paid by producers.

Unfortunately, these organizations are not always accountable to those who contribute funds to the checkoff programs. For example, the Pork Checkoff Program has been accused of “relinquish[ing] too much authority to its primary contractor...” and putting that contractor “in a position to exert undue influence over Board budgets and grant proposals.”<sup>1</sup>

Similarly, in 2019 the Beef Checkoff Program released its budget for 2020 indicating that \$27 million of the \$40 million budget was awarded to the National Cattleman’s Beef Association (NCBA) which chooses ten of the 20 members of the board charged with distributing the funds. The NCBA has been accused of advocating for ‘pro-packer’ policies which contribute to the ability of meat packers to consolidate (and potentially manipulate prices). The organization for competitive markets asserts that, “Since the NCBA has been administering the lion’s share of the beef checkoff funds, the U.S. has lost nearly half of its cattle producers, beef consumption has declined by 30%, and the four largest meatpacking corporations control 82% of the market.”<sup>2</sup>

Additionally, USDA regularly falls short in its oversight duties of checkoff programs. In 2017, the agency was assailed in the media for failing for more than four years to publish annual financial reports which are legally required for the now more than \$500 million per year dairy checkoff.<sup>3</sup>

Clearly, checkoff programs are not providing the benefits to all agricultural producers as originally envisioned and may be unfairly supporting the largest producers to the detriment of the smaller farm operations. Therefore, Senator Lee’s legislation would require that all agriculture checkoff programs be voluntary creating greater accountability between the checkoff board and those who contribute.

### Bill Specifics

- Prohibits any checkoff program from being mandatory or compulsory
- Makes producer participation in a checkoff program voluntary at point of sale

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<sup>1</sup> <https://www.usda.gov/sites/default/files/018011kc.pdf>

<sup>2</sup> <https://competitivemarkets.com/oklahoma-farm-report-ocm-accuses-ncba-of-granting-itself-27-million-in-beef-checkoff-funds/>

<sup>3</sup> [https://www.capitalpress.com/ag\\_sectors/dairy/usda-releases-delayed-dairy-checkoff-reports/article\\_0ef470c3-154a-5614-bc42-087be901f815.html](https://www.capitalpress.com/ag_sectors/dairy/usda-releases-delayed-dairy-checkoff-reports/article_0ef470c3-154a-5614-bc42-087be901f815.html)