Opinion Editorial by the Independent Beef Association of North Dakota Board of Directors

For Immediate Publication

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It's Time For A Beef Checkoff Referendum

Enacted by Congress in 1985, the beef checkoff was approved by cattle producers voting in the initial referendum held in 1988. That was 32 years ago and it is the **only** time ranchers have had an opportunity to vote on the mandatory checkoff we are required to pay every time we sell cattle. Let that sink in. In the more than 30-year lifespan of the mandatory tax on our cattle the only chance we've had to express our approval or disapproval of the \$1 per head assessment was 18 months after collections began. The question all cattle producers should be asking themselves is this: has the checkoff increased returns to producers like you who are assessed? There can be no responsibility where there is no accountability. A referendum will provide accountability. The I-BAND board of directors fully supports the petition-drive currently underway that seeks a producer referendum on the beef checkoff.

During the 1988 referendum, there were roughly one million potential cattle producer voters. It was reported that just 256,505 voted. Of those, 202,408 voted "yes." Thus, the checkoff that producers have paid for more than three decades was approved by just 20 percent of all U.S. cattle producers in 1988. For the next seven years, beef checkoff proceeds were invested by the Beef Industry Council of the National Live Stock and Meat Board. Funneling the beef checkoff funds through the non-political Meat Board and insulating the checkoff from policy was the arrangement producers understood when they voted in the initial referendum. The Meat Board's successes with the checkoff are often attributed to the checkoff being kept as distant from industry policy as humanly possible.

But then the circumstances under which the beef checkoff was sold to producers in 1988 changed. In 1996, the National Cattlemen's Association merged with the National Live Stock and Meat Board creating the National Cattlemen's Beef Association (NCBA). The merger that moved the beef checkoff (that we pay) into the arms of a policy organization was fought long and hard by the National Live Stock and Meat Board because members rightfully feared the effect of politicizing the checkoff. In the end, the National Cattlemen's Association prevailed

and the Meat Board reluctantly agreed to the merger by a single vote. The merger received final approval by just 774 voters present at the National Cattlemen's Association's 1996 meeting.

As checkoff-paying stakeholders we weren't told in 1988 that the beef checkoff would become part of a tangled web of bureaucracy where board seats would be part of a complicated pay-to-play scheme utilizing checkoff money to purchase those board seats. We weren't told that our checkoff would one day employ staff shared with a policy outfit where the checkoff would pay more than 70 percent of the policy organization's total staff salaries including half of the chief executive's lucrative employment deal. We weren't told that half of the 20-member Operating Committee, which controls the checkoff purse strings would be appointed by a branch of NCBA. We weren't told that our checkoff dollars would not be allowed to promote our U.S. beef but would instead be used to promote a generic product that includes foreign beef. We weren't told that the beef checkoff was really government speech, an argument USDA and the Cattlemen's Beef Board eagerly made when the constitutionality of commodity checkoffs was challenged in court. We weren't told that the majority contractor for our checkoff dollars, NCBA, would oppose country of origin labeling (COOL), going so far as to join Canada and Mexico in a lawsuit against COOL and lobby for repeal of COOL in the U.S. Congress. Sadly, cattle producers weren't told a lot of things.

NCBA argued recently, as it has in the past, that a referendum would be too expensive and would cost an estimated \$250,000. Based on the number of votes in the initial 1988 referendum, that pencils out to about one dollar per vote. This is the same NCBA that spent nearly \$500,000 in checkoff money giving away traditional beef cut names to pork. When the cut name give-away deal was completed the Pork Board suggested publicly that retailers could exploit those names by riding the coattails of a reputation built by beef and beef alone and charge higher prices for a pork chop newly renamed a rib-eye.

Producers will hear in the coming days and weeks that the Beef Board conducts producer surveys on a regular basis and the Beef Board will argue that those surveys, which are weighted and stratified, are a sufficient replacement for a producer vote. We couldn't disagree more. There is NO replacement for our right to vote.

After 32 years, it's time for a producer referendum on the beef checkoff. We are willing to live with the results as long as producers have a fair opportunity to express themselves. If it's true, as NCBA regularly argues, that 72 percent of America's cattle producers favor the beef checkoff, what does NCBA have to lose? All we're asking for is the right to vote. And that's something that is as American as it gets.

If you'd like to sign on to the petition-drive seeking a producer referendum on the checkoff click <u>here</u>.