

November 20, 2014

The Honorable Thomas J. Vilsack
Secretary of Agriculture
United States Department of Agriculture
1400 Independence Avenue Southwest
Washington, D.C. 20250

Dear Mr. Secretary:

Recently the U.S. Department of Agriculture requested public input on the development of a checkoff program that would operate parallel to the current Beef Checkoff Program. As you are aware, there are serious concerns within the beef industry with a checkoff established under the Commodity Promotion, Research and Information Act of 1996. I share those concerns and do not support this administrative, top-down approach from the federal government to develop a new, separate checkoff under the 1996 Act.

The current Beef Checkoff Program, created under the Beef Promotion and Research Act of 1985, has proven to be successful in both the research and promotion of U.S. beef. A recent Cornell University study concluded between 2006 and 2013 there was an \$11.20 return to the beef industry for each \$1 invested in the checkoff. Given the high rate of return, it is not surprising a Beef Producer Attitude Survey conducted earlier this year found that a vast majority of beef producers across the country express overall support for the current checkoff and believe it is well managed.

Much of the success of the current Beef Checkoff Program is attributable to its structure. After rejecting two previous versions, producers supported the checkoff created under the 1985 Act partially due to the fact that it allows for significant grassroots involvement. In particular, the current checkoff involves state beef councils like the Kansas Beef Council. This crucial grassroots involvement is not assured under the 1996 Act. In addition, there is a good chance a new, separate checkoff created under the 1996 Act operating parallel to the current checkoff would add administrative expenses and red tape to the current successful system.

While it is easy to find substantial evidence of its success, I support the ongoing efforts by the beef industry to find ways to enhance the checkoff. The Beef Checkoff Enhancement Working Group, comprised of an array of general farm and livestock groups, has worked diligently to craft consensus reforms to enhance the checkoff. There is no doubt that \$1 today has less buying power compared to 1985 when the Beef Checkoff Program was established. Yet, the decision on

whether to increase the checkoff, or to make other modifications to the structure of the checkoff, should rest in the hands of the producers who fund the checkoff, not the federal government.

Using executive authority under the 1996 Act to placate a minority of cattle producers would run counter to its purpose and result in a less effective program. If you persist with this course of action, it will not be viewed favorably by Congress, which specifically created the 1985 Act to meet the needs of the beef industry and function as a producer operated program.

The current Beef Checkoff Program established under the 1985 Act is successful and popular. I understand your frustration with the progress made thus far by the Beef Checkoff Enhancement Working Group and the temptation to make rash decisions for the industry. However, I join beef producers and cattlemen across the country in insisting that you leave the decision to potentially modify the checkoff to the beef industry and not create a new beef checkoff under the 1996 Act.

Very truly yours,

Jerry Moran

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