

# MYTHS AND FACTS

## Truth About the National Beef Checkoff

*By Elizabeth Schiedermayer for the North Dakota Beef Commission*



### GENERAL INFORMATION

Created under the 1985 Farm Bill, the Beef Checkoff collects \$1 for every head of cattle sold; importers pay the same for an equal amount of beef or beef products. Of that dollar, up to half remains in North Dakota for local beef promotion, research and education programming.

The Checkoff does not control the market for beef or work on any other policy issues. Its purpose is to build demand for beef and make it the protein of choice among consumers in a very competitive protein market.

**MYTH:** The Beef Checkoff uses Checkoff dollars to lobby for policies that work against the interests of American cattle producers.

**FACT:** The Beef Checkoff does not – and cannot – influence policymaking, participate in lobbying or fund programs that do. Checkoff dollars can only be used for research and promotion of beef on behalf of producers and importers; they cannot be used for lobbying. Through stringent checks and balances, the Cattlemen's Beef Board (CBB) ensures that NO Checkoff dollars are used for lobbying.

**MYTH:** One national organization receives the majority of the Checkoff dollars and uses them for policy and programs not allowed.

**FACT:** First, Checkoff work is conducted by contractors who are established national nonprofit industry-governed organizations. All contractors are vetted and reviewed regularly by the CBB to ensure they only use Checkoff funds for approved programs. Project controls include reviewing contractor time and expenditures, reviewing materials created for distribution, reviewing/approving communications developed for public usage, and strict cost-recovery reimbursement.

Second, contractors operate on a cost-recovery basis, meaning they must pay all program costs first and are then only reimbursed after all above reviews have been conducted. Contractors never get money up front. The CBB's operations are overseen by the USDA's Agricultural Marketing Service, which must approve all budgets, board activities and contractor work.

**MYTH:** It would be better for producers if the Checkoff only promoted U.S. beef, but the Checkoff opposes Mandatory Country of Origin Labeling (MCOOL) because it doesn't want consumers to know how much beef in local grocers' meat cases comes from outside the U.S.

**FACT:** MCOOL is a policy issue. As such, the Checkoff is not involved and has not taken a position on this issue.

**MYTH:** The Checkoff is not member driven.

**FACT:** The Beef Checkoff is controlled by those who pay into it. The CBB is comprised of 101 producers and importers. Producers make up 93% of the board and drive Checkoff decisions. The vast majority of producers support the Beef Checkoff and its work.

**MYTH:** Many young producers weren't even alive when the Beef Checkoff started. They never got to vote on it, and the program no longer meets the needs of today's producers.

**FACT:** It's true that some producers weren't around when the Checkoff was established. However, the program has evolved, serving all producers with the latest research, best practices and current technologies. The direction of Checkoff programs is driven by member committees. These committees are made up of producers of all ages. Through a variety of initiatives, the Beef Checkoff remains as viable as ever.

**MYTH:** The Beef Checkoff no longer meets the needs of today's producers.

**FACT:** Checkoff contractors drove beef demand throughout the pandemic with creative national efforts such as the United We Steak grilling campaign, beef-based STEM curriculum, foreign marketing, and more. North Dakota producers' Checkoff dollars helped create a number of effective state programs and initiatives in nutrition and health influencer programs, social media and digital advertising, human research and beef product development, and foreign marketing.

**MYTH:** The Beef Checkoff does little for cattle producers who pay into it.

**FACT:** A 2019 return on investment study conducted by Dr. Harry Kaiser of Cornell University revealed that Beef Checkoff programs and efforts have a positive impact on beef demand. Between 2014 and 2018, Checkoff funded efforts increased beef demand by 2.6 billion pounds per year. Dr. Kaiser also concluded that without a national Checkoff, U.S. beef demand would have been 14.3% lower than it was by year-end 2018.



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