

# Some Accomplishments of the Beef Checkoff Program



Beef checkoff efforts aim to increase profit opportunities for producers by keeping beef top of mind with consumers and purveyors and working to ensure a wholesome and quality beef eating experience every time. Efforts include:

- Promoting high-quality U.S. beef in foreign countries.
- Working to continue growth in beef demand.
- Funding product enhancement and beef safety research programs to address safety and quality issues.
- Investing an average of \$4 million annually on beef safety and product technology research.
- Delivering beef enjoyment messages to consumers through a checkoff-funded national radio and print advertising campaign that reached 96 percent of targeted adults more than 18 times in 2006 at a cost-per-impression of less than a penny.
- Teaching youth how beef fits into a healthy and active lifestyle through the checkoff-funded Web site, [www.zip4twins.com](http://www.zip4twins.com), which provides young girls with recipes, nutrition information, games, and creative party ideas.
- Introducing new products into the marketplace. Between 1996 and 2006, more than 2,200 new beef products addressing consumer preferences reached the market.



## Where Checkoff Dollars May Be Invested

### Promotion

Encompasses advertising, merchandising, new product development and promotional partnerships with restaurants and supermarkets designed to stimulate sales of beef and veal in the marketplace.

### Research

Provides the foundation for checkoff-funded activity. Information and promotion projects are developed based on consumer, nutrition, beef safety and product enhancement research.

### Consumer Information

Endeavors to enhance beef's image through nutritional data and other positive messages targeted to news media, food editors, teachers, dietitians, physicians and other influential groups.

### Industry Information

Strives to promote an understanding of the beef industry and maintain a positive marketing climate by helping to provide factual information and to correct misleading publicity concerning food safety, environmental and animal welfare issues.

### Foreign Marketing

Seeks to identify and develop international markets for U.S. beef and beef variety meats.

### Producer Communications

Aims to inform beef and veal producers about how checkoff dollars are being invested and communicates program results.

## The Beef Board and the NCBA— Separate Organizations

The Cattlemen's Beef Board administers the Beef Checkoff Program, under USDA oversight. The National Cattlemen's Beef Association (NCBA) is one of several beef industry organizations that contract with the Beef Board to carry out approved checkoff projects. The two organizations are governed and operated separately from each other, but work together to achieve the objectives of the Beef Checkoff Program.

NCBA has two divisions. One of them is its own policy division, and the Beef Board has no involvement with or connection to that division. NCBA's other division is the Federation of State Beef Councils, which coordinates closely with the Beef Board to implement the industry's Long Range Plan and contracts with the Beef Promotion Operating Committee to conduct specific checkoff programs.

## Do contractors make money off of the checkoff?

No. The Beef Board and USDA must approve all checkoff budgets and programs before any contractors are reimbursed for program costs. Checkoff dollars are then paid to contractors on a cost-recovery basis only, meaning that contractors may be reimbursed only for actual costs incurred in implementing approved checkoff programs.



## The Checkoff Starts In Your State

The beef checkoff process starts at the state level where one dollar is collected on each head of cattle and calves sold. Fifty cents automatically goes to the Cattlemen's Beef Board and up to 50 cents is retained by your qualified state beef council. Most states retain 50 cents.

More than 600 producers sit on state beef council boards and play a key role in directing state and national programs. State board members determine how their 50 cents is invested at the local level. Funds kept in the state also may be invested in national and international programs.



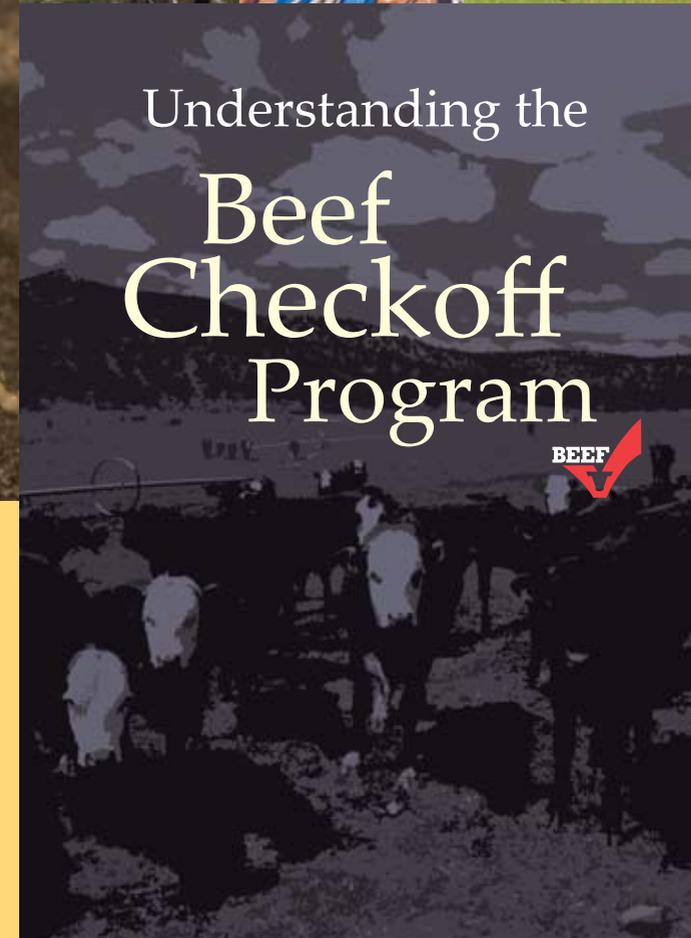
For additional information about the Beef Checkoff Program, visit [www.beefboard.org](http://www.beefboard.org), contact your state beef council, or write:

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## Understanding the Beef Checkoff Program

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# History of the Checkoff

Congress created the Beef Promotion and Research Act, the “Beef Checkoff Program,” with passage of the 1985 Farm Bill. Producers approved making the Beef Checkoff Program mandatory in 1988, with 79 percent voting in favor of it.

Producers asked that the checkoff program be built on these tenets:

- All producers and importers pay equivalent \$1/head on beef and beef products.
- One-half of the money collected by state beef councils—50 cents of every dollar—is invested through the beef council in each state.
- All national checkoff-funded programs are budgeted and evaluated by the Cattlemen’s Beef Board, an independent organization of 104 checkoff-paying volunteers.
- Beef Board members are nominated by fellow state producers and appointed by the U.S. Secretary of Agriculture.

# Requesting a Referendum

The federal legislation that created the beef checkoff states that the Secretary of Agriculture may call a referendum as to continuation of the program when 10 percent of producers request it. Based on the Ag Census numbers, this would require an estimated 106,000 qualified, valid signatures. Cattlemen would pay the cost of the referendum out of checkoff dollars.

# What can the Checkoff Do?

The beef checkoff acts as a catalyst for change. The checkoff doesn’t own cattle, packing plants or retail outlets. It can’t control prices or single-handedly turn around a bad market. The Beef Checkoff Program was designed to stimulate others to sell more beef and stimulate consumers to buy more beef. This is accomplished through a combination of initiatives including consumer advertising, research, public relations, education and new product development.

# What can’t the Checkoff Do?

By law, checkoff funds cannot be used to influence government policy or action, including lobbying.

# Do Packers Pay?

Any packer who owns cattle for more than 10 days prior to slaughter must pay the dollar-per-head checkoff. Regardless of the length of ownership, many packers pay a voluntary per-head assessment. There are no packer seats on the Beef Board.

# Return on Investment

Beef continues to hold its own on the American dinner table and demand remains strong. In fact, beef demand increased more than 20 percent between 1998 and 2005.

Cattle-Fax estimates that the increase in beef demand since 1998 has added about \$250 per head to the price of fed cattle and about \$200 per head to the price of calves.

# The Checkoff Structure

The Beef Promotion and Research Act outlines the specific responsibilities of the organizations that comprise the checkoff structure.

## Beef Board

Created by the Beef Promotion and Research Act to administer the Beef Checkoff Program, the Beef Board is made up of volunteers nominated by state producer organizations and importers, and appointed by the U.S. Secretary of Agriculture. Duties include certification of state beef councils, evaluation of programs, annual budget approval and overseeing collection of the \$1-per-head beef checkoff. Administrative costs for the Beef Board are capped at 5 percent of projected revenue, and the board has always remained well below this level.

## State Beef Councils

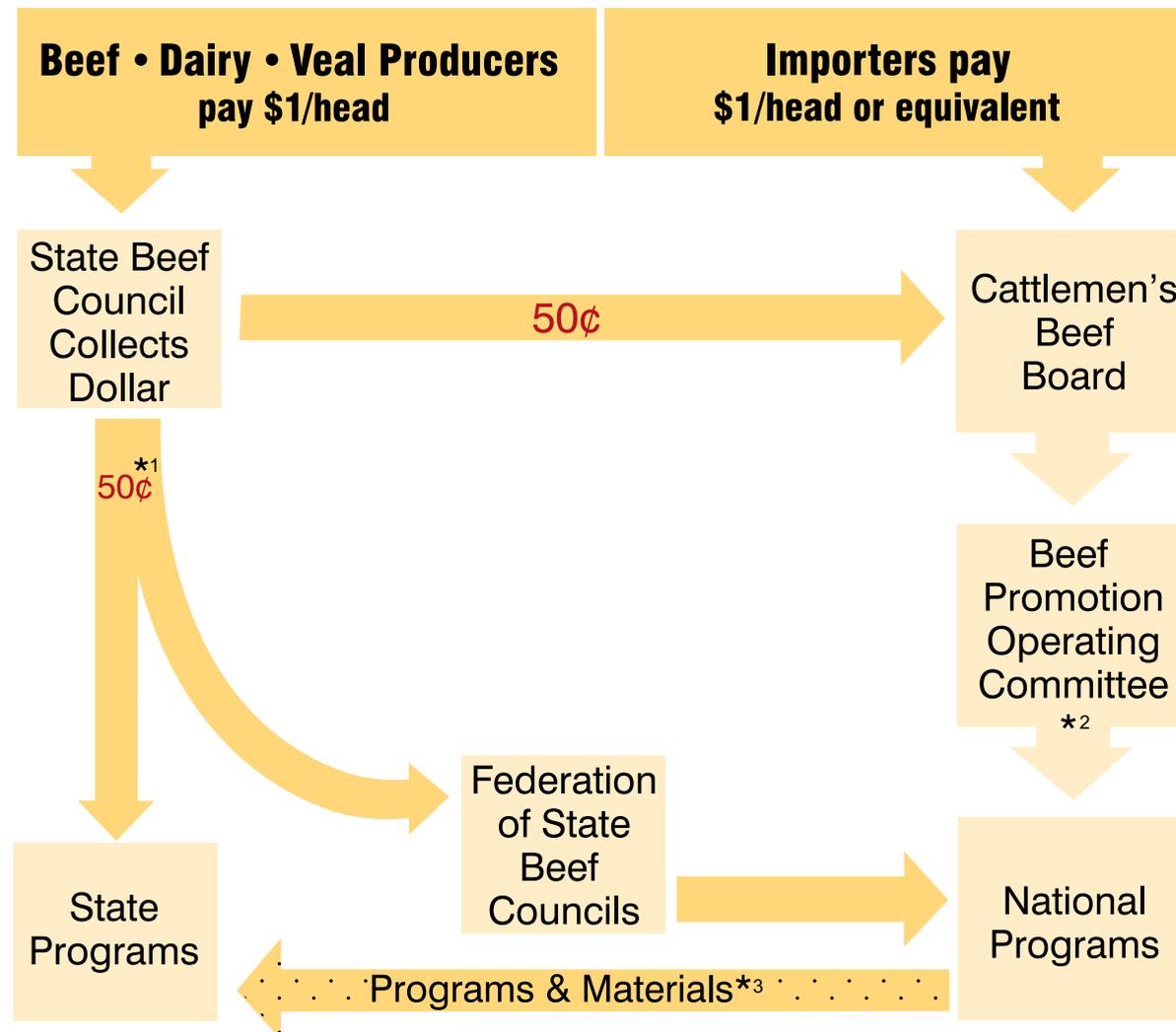
State beef councils collect the \$1-per-head checkoff and retain control of 50 cents of every dollar to conduct and implement state-level programs that are consistent with the Beef Promotion and Research Act. States may invest a portion of their 50 cents in national programs and then elect producers to serve on the Federation of State Beef Councils Division of the NCBA Board to oversee program development and implementation.

## Operating Committee

The Beef Promotion Operating Committee reviews and approves national checkoff programs and contracts with national industry-governed organizations to implement programs. The Beef Board selects 10 of its members to serve on the Beef Promotion Operating Committee. Together as the Federation, state beef councils select the other 10 producers to serve on the 20-member committee.



# The Beef Checkoff



By law, the Operating Committee reviews and recommends approval of checkoff programs and must contract with national industry-governed organizations to carry them out. Some of the primary contractors are the National Cattlemen’s Beef Association (NCBA), American National CattleWomen (ANCW), the National Livestock Producers Association (NLPA), the U.S. Meat Export Federation (USMEF), the Meat Importers Council of America (MICA) and the American Veal Association (AVA). All programs and budgets must be approved by the United States Department of Agriculture (USDA).

\*1 States may invest a portion of their 50 cents in national programs.

\*2 The Beef Promotion Operating Committee has 10 members from Cattlemen’s Beef Board and 10 members from The Federation of State Beef Councils.

\*3 National programs and materials are used by states to extend national priorities.