



P.O. Box 339 ~ San Lucas, CA 93954

Email: [usca@uscattlemen.org](mailto:usca@uscattlemen.org) ~ Web: [www.uscattlemen.org](http://www.uscattlemen.org)

Telephone: (831) 385-5316

August 29, 2008

Mr. Tom Ramey, CEO  
Cattlemen's Beef Board  
9000 E. Nichols Avenue, Suite 215  
Centennial, CO 80112

Transmission via email: [tramey@beefboard.org](mailto:tramey@beefboard.org)

RE: Recommended Enhancements to the Beef Checkoff

The United States Cattlemen's Association (USCA) greatly appreciated the opportunity to visit with you and discuss the changes we believe would help make the Checkoff stronger and more producer oriented. USCA believes that a producer-driven Beef Checkoff Program is vital to the future of the cattle industry. Quite truthfully, we believe Checkoff transparency and governance must improve in order to retain and build further support from producers. That being said, we urge your consideration of the following enhancements:

1. Amend Sec. 2904, paragraph (6) to eliminate the requirement that the operating committee contract only with "established, national non-profit industry-governed organizations." This would allow the committee to contract directly with vendors and avoid possible conflicts of interest generated by the policy positions of any national organization. This proposed change includes removing the date of 1986 that restricts non-profits that were organized after that date from contracting with the Checkoff.
2. We support a periodic referendum to be voted on by producers. This should be a scheduled referendum in addition to the already available petition option for a producer referendum. This periodic referendum would provide some accountability to producers.
3. Direct that a portion of Beef Checkoff dollars collected from U.S. Cattle Producers be used to promote products derived from cattle that are specifically born, raised, and processed in the United States. We also support allowing the importers to use a like percentage of the funds collected from imports to promote their product.
4. Two divisions of the Beef Checkoff, the Cattlemen's Beef Board (CBB) and the Federation of State Beef Councils (Federation), are mandated by the Beef Promotion Act and Order. A third presumed division, the National Cattlemen's Beef Association, (NCBA) is a policy driven organization that is the main contractor for the Beef Checkoff. We believe that the CBB, Federation, and NCBA should become individually independent and autonomous in order to alleviate the impression that they are operating as one entity. In order to accomplish this, we ask for the removal of the Federation from NCBA. Also, we recommend that the CBB be required to meet separately from NCBA and all other policy driven and/or contracting organizations. We also recommend the removal of all policy representatives from joint Checkoff committees and make the representation on those committees reflect the make up of the Checkoff Operating Committee.

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5. USCA urges that all State Beef Council funds forwarded for use by the National Beef Checkoff program should go to the CBB and be awarded by the Beef Checkoff Operating Committee, in a like manner as the National Checkoff monies expended by the CBB. We also believe that State Beef Councils, at their discretion, be allowed to earmark such funds to certain specific programs.

6. Acknowledgement of Beef Checkoff programs has been abused in the past. Contractors have taken full credit for accomplishments and efforts funded by Checkoff dollars. Any contractor who does not fully acknowledge a Checkoff program they are implementing with Checkoff dollars as being a Checkoff program, should not receive the awarded funding from the Operating committee. The contractor should not even be acknowledged. If a contractor participates in the cost of the program they should be acknowledged only if their percentage of involvement is disclosed. We also think it is important to separate the websites of the Beef Checkoff with the website of NCBA or link to all national cattle/beef organizations.

7. The planning process for the Beef Checkoff needs to be more inclusive. It is our understanding that very few organizations have the opportunity to have input into potential programs and have very little access to program needs and to potential opportunities to contract for Checkoff programs.

8. USCA supports the current one dollar per head assessment, and would need to see meaningful changes made to improve the transparency, accountability, and governance of the Checkoff before we could support any increase in assessment. Also, USCA will not support any increase in the assessment without the increase being approved in a referendum by cattle producers who will pay the assessment.

Again, thank you for taking the time to discuss our concerns and we hope you seriously consider our recommendations. If any further explanation or clarification is needed, or if you would like to engage us in further discussions, please contact us.

Respectfully submitted,



Jon Wooster

President

cc: Dave Bateman—dbatemanlbrn@aol.com  
Tom Jones—jtjar@suddenlink.net  
Charlotte Coates—ccoates@beefboard.org