

October 20, 2011

The Honorable Tom Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Mr. Secretary:

On Tuesday, September 27, 2011, a group of beef cattle, livestock marketing, and general farm organizations met in Minneapolis, MN to address various items related to the Beef Checkoff. Roger Johnson, president of the National Farmers Union, and Jon Wooster, president of the U.S. Cattlemen's Association, co-chaired the meeting. Also participating in the meeting were representatives of the Cattlemen's Beef Board and USDA's Agricultural Marketing Service which oversees the checkoff.

The purpose of the meeting was described by Mr. Wooster as a discussion of issues regarding the administration of the checkoff and to provide recommendations to the Secretary of Agriculture on addressing these matters in a manner that will enhance support and funding for the checkoff by beef producers.

As a result of open and productive discussion during the meeting, the organizations represented at the meeting are supportive of the following points:

1. Projects funded by the Cattlemen's Beef Board (CBB) and the Federation of State Beef Councils (the Federation) for promotion and research have been beneficial to the beef industry and accomplished in a quality manner.
2. The current restriction under the Beef Promotion and Research Order (Order) which defines eligible contracting organizations as only those organizations that are industry directed and in existence prior to 1985 should be changed. It is the recommendation of this group that USDA undertake those steps necessary, through the Department's administrative rulemaking process, to modify § 1260.113 of the Order allowing a national nonprofit industry-governed organization that has represented the cattle or beef industry at least two years prior to their eligibility and such other eligibility criteria to be determined later, to become an eligible contractor for Beef Checkoff projects.
3. Through recent adoption of the CBB Roles and Responsibilities recommendations, the CBB limited the voting power in joint advisory committees to only members of the CBB and the Federation. Current CBB policy states that other industry groups will be allowed and encouraged to provide comment and information from their respective organizations to advise the deliberations of program recommendations of such advisory committees. It is the recommendation of this group that seats be made available on all Joint Checkoff Committees

for one representative from each national nonprofit industry-governed organization that would qualify as a checkoff contractor and desires to have a representative on the committee. These committee members would be allowed to engage in all deliberations of the committees; but would not have a vote on motions brought before the committee. The co-chairs of the group appointed a committee to recommend specific details of this recommendation and asked that the committee report back on the development of these details within two weeks of this meeting or as soon as possible.

4. The group discussed extensively the CBB meeting process, including locations and costs, and deliberated ways to make that process more economically efficient. The group agreed the meetings should be held in a manner holding costs to the Beef Checkoff at a minimum and suggested the CBB continually monitor meeting expenses and explore new possibilities to ensure this goal is being met in the future.

Although discussion was also held in regard to the contracting process for the checkoff, no specific recommendations were developed by this group; however it was suggested that this ad hoc group of organizations, and any other interested organizations, should meet annually in order to further discussions that can help address checkoff issues and build further support of the Beef Checkoff by beef producers.

Sincerely,

American Farm Bureau Federation
American National CattleWomen
American Veal Association
Livestock Marketing Association
National Cattlemen's Beef Association
National Livestock Producers Association
National Farmers Union
U.S. Cattlemen's Association

Enclosure