**The Montana Checkoff Decision: Beneficial Impacts on Montana Ranchers**

R-CALF USA

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**Introduction:** Because the Montana Beef Council is a microcosm of the National Beef Checkoff Program (Beef Checkoff), the decision by Montana ranchers to fund or not fund the Montana Beef Council will automatically reflect on the entire Beef Checkoff.

**Background:** The Supreme Court recently confirmed in another case that the First Amendment prohibits the government from compelling a citizen to subsidize the private speech of a private entity without first obtaining the citizen’s affirmative consent.

R-CALF USA filed a lawsuit against the U.S. Department of Agriculture (USDA) because it was compelling Montana ranchers to subsidize the private speech of the Montana Beef Council without first obtaining the ranchers’ affirmative consent.

On June 21, 2017, a federal court granted R-CALF USA an injunction that stops USDA from using money collected from Montana ranchers to fund the advertising campaigns of the Montana Beef Council unless Montana ranchers first give their affirmative consent.

**Impact No. 1:** The constitutional right of every Montana rancher has been upheld. No longer can USDA compel Montana ranchers to pay for the private speech of the Montana Beef Council without the rancher’s affirmative consent.

**Impact No. 2:** The Montana Beef Council is now accountable to every Montana rancher. Ranchers can now hold the Montana Beef Council accountable by either granting or not granting consent to use their hard-earned money.

**Impact No. 3:** The Montana Beef Council is now part of the competitive, free market system: It will now compete for voluntary contributions from Montana ranchers who can choose either to direct half their mandatory assessments to the Montana Beef Council or allow all of it to go to the Cattlemen’s Beef Board at the national level.

**Impact No. 4:** Montana ranchers now have leverage over the Beef Checkoff. They can now send a strong signal to Washington regarding their approval or disapproval of the way the entire Beef Checkoff is being operated. By choosing not to allow their assessments to go to the Montana Beef Council, which has received half of all Montana checkoff assessments for over three decades, Montana ranchers can send a powerful message to Washington that they no longer support ‘business as usual” regarding the Beef Checkoff.

**Impact No. 5:** Montana ranchers now have leverage to oppose the corporate control and corporate promotion they now are required to support. At the behest of multinational corporations, neither the Montana Beef Council nor the Beef Checkoff promotes USA beef. Instead, they convey the message that all beef is the same – that foreign beef is just as good as USA beef. By not allowing any of their assessment to fund this “generic” beef promotion at the state level, Montana ranchers can send a strong signal to Washington that they do not agree with using Beef Checkoff dollars to promote their competitors’ beef.

**Impact No. 6:** Montana ranchers can now reduce the amount of Beef Checkoff Dollars that now flows to lobbying organizations. Last year, the Montana Beef Council spent $281,000 on national promotion, meaning the money was spent on the Federation of State Beef Councils, which is a division of the National Cattlemen’s Beef Association (NCBA). The NCBA represents multinational packers and producers. The NCBA owns, controls, houses and staffs the Federation of State Beef Councils. Therefore, the NCBA benefits directly from the money the Montana Beef Council sends each year to the Federation of State Beef Councils. By not allowing dollars to be sent to the Montana Beef Council, Montana ranchers can reduce the amount of Beef Checkoff dollars that now flows to the NCBA.

**Conclusion:** The Beef Checkoff decision empowers Montana ranchers to send a strong message to the President and to Congress regarding whether the Beef Checkoff that promotes generic beef and benefits a private lobbying group is actually serving Montana’s interests.

When the U.S. Supreme Court ruled in 2005 that the Beef Checkoff is managed from beginning to end by USDA and is, therefore, a government program espousing government speech (as opposed to a producer-driven program espousing producer speech), the door was essentially closed to producers who wanted to change how the Beef Checkoff was being operated. But the Supreme Court did not address the one-half of all checkoff dollars that flowed to the states.

Because the Montana Beef Council is a microcosm of the national Beef Checkoff Program, the decision by Montana ranchers to fund or not to fund the Montana Beef Council will automatically reflect on the entire Beef Checkoff. So, if most Montana ranchers decided not to send their checkoff dollars to the Montana Beef Council, that would imply that Montana ranchers are dissatisfied with how the National Beef Checkoff Program is being operated as well. Of course, the opposite would be implied if the majority of Montana ranchers choose to continue funding the Montana Beef Council.

It may seem as though mandatory checkoff dollars collected in Montana ought to stay in Montana. But, there’s a bigger picture and a bigger opportunity to ensure this mandatory program is actually serving the interests of Montana ranchers. If Montana ranchers do not consent to sending any of their checkoff dollars to the Montana Beef Council, then that will force a renewed focus on this bigger picture. On the other hand, if Montana ranchers disagree with how the Beef Checkoff is operating and yet they still choose to send half of their money to the Montana Beef Council, then nothing will change – it will be business as usual at both the federal level and the state level, meaning ranchers will continue to pay into a system that doesn’t allow them to compete equally with the ever-growing volume of imported beef.