

Why America's Cattle Producers Should Sign the Petition for a Beef Checkoff Referendum

- 1. To Ensure Government Accountability:** The 35-year-old Beef Checkoff Program is a government mandated assessment used to fund government speech and America's cattle producers have never had the opportunity to hold the government accountable for its speech through an industrywide vote.
- 2. To Ensure the Needs of Today's Cattle Producers Are Being Met:** Today's cattle industry is radically different than it was 35-years ago when the Beef Checkoff Program was put in place. Today there are fewer producers, fewer cattle, fewer feedlots, fewer salebarns, fewer packers, and more imports.
- 3. It's the American Way:** America's representative democracy is founded on periodic voting. We vote for a new president every four years. This is the foundation for ensuring the government continues to be by and for its citizens. The same holds true for Beef Checkoff Program.
- 4. To Support American Cattle Producers, American Beef, and America:** America has been weakened by long-term policies that promote offshoring of manufacturing, production, and jobs. The 35-year-old Beef Checkoff Program epitomizes those antiquated government policies that have weakened America and only through a referendum vote will that be changed.
- 5. To Equalize Power:** When power falls into the hands of the few, it is nearly impossible to convince Congress to support the interests of the many – money and power are too great an obstacle. A vote by the many is the only effective way to rebalance the power and money accumulated by the few within America's cattle and beef industries.
- 6. To Improve the Beef Checkoff Program:** America's cattle producers have tried for 20 years to improve the Beef Checkoff Program – to prohibit any lobbying group from receiving producer checkoff dollars, to allow America's cattle producers to promote and market USA-produced beef, and to give U.S. cattle producers more say over the government's checkoff speech. The government has made no effort to accommodate any of these improvements. A vote by America's cattle producers could quickly change that.
- 7. To Guard Against Corruption:** In 2010, after 25-years of the Beef Checkoff Program's uninterrupted operation, an independent auditor discovered that hundreds of thousands of beef checkoff dollars were misspent during a small window of time, including for the unlawful purposes of paying lobbying-related costs, paying travel and vacation costs for spouses and children of beef checkoff employees, and paying for a beef checkoff employees time to attend a golf outing. This type of corruption can only be prevented if

the checkoff program employees know they will be held accountable by a periodic referendum, so a referendum should really be held at least every 5 years.

- 8. To Balance the Interests Between American Cattle Producers and Beef/Cattle Importers:** In 2020, American cattle producers payed about 93% of the annual cost of the Beef Checkoff Program while importers payed only about 7%. Yet, the importers receive equal benefits from the tens of millions of dollars raised under the mandatory Beef Checkoff Program. This is not equitable. If America's producers pay the lion's share of the Beef Checkoff Program's annual revenues, they should receive the lion's share of the benefits. Only with a referendum can this inequity be rebalanced.
- 9. To Prevent Further Consolidation/Vertical Integration of America's Cattle Industry:** Private organizations that receive producer checkoff dollars have actively supported the ongoing consolidation and vertical integration of America's cattle industry. This includes lobbying Congress to prevent country of origin labels on beef and opposition to market reforms to restore lost competition in the U.S. fed cattle market. In short, they are using beef checkoff dollars to make the cattle industry function more like the hog and poultry industries than an independent industry that values robust competition, liberty, and freedom to operate as they see fit.
- 10. To Promote Competition in America's U.S. Cattle Industry:** When the Beef Checkoff Program was implemented 35 years ago, there was considerable competition between beef packers and producer groups to win contracts for carrying out the purposes of the Beef Checkoff Program. However, about 10 years later, in 1996, the beef packers merged with the producer organization of the time. This eliminated any meaningful competition for beef checkoff contracts and allowed the packers to gain disproportionate influence over who receives checkoff dollars and what they do with those dollars.