

September, 7 2006

To: Industry-Wide Beef Checkoff Task Force

Re: R-CALF USA position

Members of the Task Force:

R-CALF USA has acknowledged the necessity of a viable and comprehensive beef promotion program. In order to enhance the current Checkoff program and bring about better accountability and producer confidence we suggest the following modifications are critical:

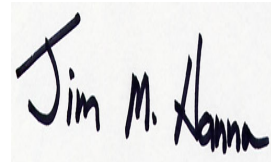
1. A periodic (every 5-7 years) mandatory referendum. We also suggest that the USDA immediately begin to set parameters to clearly define the procedures for conduct of such a referendum.
2. "Ear-marking" Checkoff funds for promotion of USA born and raised products. This would enhance demand transparencies for US produced cattle which in turn are the primary funding source of such programs. We believe this can be accomplished without losing the assessment on imported beef and products.
3. Allow the Cattlemen's Beef Board (CBB) to contract directly with vendors. The current process allows one national organization with specific political (lobbying) and philosophical ideologies to exert undue influence over the way program dollars are spent. We feel allowing the CBB to contract directly would restore producer confidence and reduce potential challenges to the program.
4. Include continued discussion on extending the assessment to fresh beef and beef products. The Checkoff is specifically designed to promote such products, why then should cattle owners be the only contributors?

Until such time as these are seriously addressed and included in any change to the Act and Order, R-CALF USA cannot and will not recommend any increase in the level of assessment to our membership. And, with the results of our policy discussions concerning the Checkoff, it is unlikely our membership will support any increase prior to other substantive changes. We intend, as well, to actively pursue the above mentioned modifications regardless of other attempted changes to the program.

We appreciated the chance to work with each of you and hope you will join us in our goal of strengthening producer confidence and enhancing the intent of the Beef Checkoff Act and Order.



Chuck Kiker  
R-CALF USA President



Jim M. Hanna  
Checkoff Committee Chair