

*Fighting for the U.S. Cattle Producer!*



**R-CALF**  
*USA*

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May 24, 2010

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

**Sent via facsimile and U.S. Mail: 202-720-6314**

**Re: R-CALF USA's Concerns Regarding NCBA's Proposed Checkoff-related Structural Changes**

Dear Secretary Vilsack:

Thank you for your letter to the National Cattlemen's Beef Association (NCBA) expressing your concerns about the restructuring recommended by their Governance Task Force (GTF) and its possible effect on the status of the Federation of State Beef Councils.

In addition to the members of R-CALF USA (Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America), who pay into the Checkoff program and believe they are underrepresented in the Checkoff program because it is unduly influenced by NCBA, there likely are thousands of additional, independent cattle producers who share your concerns and support your efforts to ensure the independence of the Federation of State Beef Councils (Federation) from the control exerted by any private membership organization, regardless of its contractor status.

While NCBA, or any group, has the right to restructure its organization, we at R-CALF USA believe the proposed NCBA restructuring has ramifications that go far beyond the limited number of NCBA members that pay into the Checkoff. We believe NCBA's proposal will cause irreparable damage to the image, reputation and possibly the very effectiveness of the Federation, particularly in the eyes and minds of the thousands of independent producers who are mandated to fund the Checkoff program but are not NCBA members.

At a time when other national agricultural organizations are proposing expansions of their governing boards to provide greater representation and diversity, encompassing not only a broader range of ideas but also geography, NCBA's restructuring of their 274-member board into a smaller, 25-member board is much more restrictive and less diverse. Concern also arises from the built-in majority of NCBA voters chosen for the nominating committee under NCBA's proposed change. We believe NCBA's proposal would give NCBA inappropriate influence over the candidate selection process for members and/or officers of the operating committee and the Chair and Vice-Chair of the Federation.

The creation of the House of Delegates (House) appears to overpower what small amount of independence Checkoff program contributors now accord to the Federation and is especially troublesome given the investment schedule for voting. The one-representative, one-vote principal

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“flies out the window” when a monetary contribution as proposed by NCBA determines the weight of a particular representative’s vote. Another issue R-CALF USA finds worrisome concerning the House is the requirement that to be a House member, a person also must belong to the NCBA or an NCBA-member organization.

R-CALF USA strongly urges USDA to disapprove NCBA’s plan to achieve total integration and absorption of the Federation into the bowels of NCBA, despite NCBA’s claim that its “firewalls” are effective. Independent producers are deeply concerned about the effectiveness of the current, so-called firewalls. Approval of NCBA’s restructuring plan would only magnify this existing concern and accompanying distrust – perhaps even to the point of rejection of the Checkoff’s very existence should producers and importers ever be afforded the opportunity to vote in any future referendum concerning changes to the Checkoff.

R-CALF USA further suggests to USDA that in an effort to ensure that all Checkoff program contributors are afforded a truly independent Federation, USDA should order and require a complete and total separation of the Federation from NCBA, including the separation of the Federation’s physical location and its "shared" employees. This would be particularly important should NCBA finalize its proposed structural change.

The Act and Order currently has requirements and structural specifications concerning the Federation that allow the Federation to operate as an independent organization, including with respect to the nominations of officers and the operating committee members. In the wake of the recent ruling that the Checkoff is government speech, another strong reason to suggest the separation of the Federation from NCBA is that NCBA is not a government agency.

R-CALF USA greatly appreciates USDA’s consideration of the foregoing concerns and looks forward to working with your agency to achieve genuine independence of the mandatory Checkoff program.

Kindest regards,

A handwritten signature in black ink, appearing to read "Joel Gill". The signature is fluid and cursive, with the first name "Joel" being larger and more prominent than the last name "Gill".

Joel Gill

R-CALF USA Region XII Director/Checkoff Chairman