

Dear Members of Congress,

We, the undersigned, call on Congress to address through legislation the egregious marketplace abuses which have been clearly demonstrated by several of the commodity checkoff programs (“checkoff programs”).

Checkoff programs were established to serve as mechanisms by which agricultural industries pool money for common promotional and research purposes. Fees are mandatory, from the smallest local farmer to the biggest factory operation. Checkoff dollars go to federal industry-specific boards, which are required by law to use these funds for mutually beneficial advertising campaigns and research.

In spite of this limited purpose, checkoff programs have repeatedly acted beyond the scope of their statutory mandate. Lax oversight by the USDA has resulted in collusive and illegal relationships between checkoff boards and lobbying organizations, both of which have repeatedly used checkoff funds to influence legislation and government action in spite of a broad statutory prohibition against these activities. Such advocacy efforts have an anticompetitive effect, benefiting certain producers to the detriment of others, and forcing some producers to pay into a system that actively works against them. Some of their tactics have gone so far as to expend government mandated fees to prevent new food products from entering the market.

For the future of America’s agriculture and its family farmers and ranchers, legislative action must be taken. At a minimum such action should include the following provisions:

(a) Prevent federally mandated fees from being used to lobby. The egg, beef, and pork checkoff laws broadly prohibit the use of funds in any manner for the purpose of influencing legislation or government action. But these programs have repeatedly been shown to use checkoff funds to influence policy directly or by partnering with organizations that lobby. This use of funds benefits some producers while harming many others. In order to more effectively prevent boards from using funds for this unlawful purpose, strict separation of engagement between these boards and policy entities is necessary.

(b) Prevent conflicts of interest. Conflicts of interest in the egg, beef, and pork checkoff programs allow special interests to use program funds for the benefit of some assessed producers, at the expense of many other producers. Prohibiting conflicts of interest in these programs is necessary to ensure their proper and lawful operation.

(c) Prevent anticompetitive/disparagement actions. The egg, beef, and pork checkoff programs are designed to promote eggs, beef, and pork. They are not intended to damage other types of commodities, through anticompetitive conduct or otherwise. Prohibiting

anticompetitive and similar conduct is necessary to ensure proper and lawful operation of the programs.

(d) Allow transparency. Lack of transparency in checkoff programs enables abuses to occur and conceals abuses from being discovered. Requiring transparency in the expenditure of egg, pork, and beef checkoff funds is necessary to prevent and uncover abuses in these programs.

Senators Booker's and Lee's S. 3201, "Commodity Checkoff Program Improvement Act of 2016," and Senator Lee's S. 3200, "Voluntary Check-off Program Participation Act," address the most glaring abuses by the commodity checkoff programs, clearly and concisely providing for the above specifications. We are strongly urging Congress to pass both bills. Additionally, by making all checkoff program payments voluntary, S. 3200 ensures those farmers, ranchers and businesses who choose to participate in their commodity checkoff program may do so. But it further ensures that those farmers, ranchers and businesses who do not want to participate may choose to not pay into a commodity checkoff program that does not benefit their business.

For additional information please contact Joe Maxwell at 573.721.0927. Also, please inform Joe of your decision so that he may inform the below-listed organizations. We greatly appreciate your consideration of this vital issue facing family farmers and ranchers.

Sincerely,