

February 28, 2011

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

Dear Secretary Vilsack:

On other occasions we, the undersigned organizations that represent independent cattlemen, have expressed our appreciation and support for your historic effort to address the market inequities that are devastating our industry. We would like to now reaffirm our profound gratitude and hearty support.

However, we write today to express our deep concern regarding the Beef Checkoff Program (Checkoff Program) as it is currently being administered. While we support the concept of the Beef Promotion and Research Act of 1985, we believe it has failed to meet the goals and expectations of the cattlemen who brought it into being and pay the \$80 million or so each year to fund the Checkoff Program. After twenty-five years and the expenditure of approximately one billion dollars, today things are worse, not better.

We have enclosed a report that provides our assessment of the Checkoff Program and the basis for our request to you. Specifically, we request that you:

- Insure participation for all Checkoff-paying producers by amending the order to provide more transparency, diversity and inclusion as integral parts of the Checkoff Program.
- Initiate a review to assess the Checkoff Program's effectiveness and consistency with its overall purpose.
- Conduct a comprehensive investigation and audit that provides for a full accounting of Checkoff Program funds and discloses any abuse or fraud that may have occurred during at least the past ten years. We ask that a delegation representing the undersigned organizations be permitted to meet with investigators to share important information and particular insights.
- Use the broad powers conveyed to you by the Beef Promotion and Research Act of 1985 and the Beef Promotion and Research Order and immediately suspend NCBA as contractor, pending the completion of your investigation and the ongoing Office of Inspector General (OIG) audit.

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While we fully understand that we have the option to address the present situation by calling for a referendum, which could lead to the curtailment of the Checkoff Program, we are committed to working with you to restore integrity to the Checkoff Program and regain the trust of the producers who provide the \$80 million or so in mandatory financial contributions each year.

Respectfully submitted for your consideration,

OCM Beef Checkoff Reform Taskforce

(Contact Fred Stokes, 601 527 2459, tfredstokes@hughes.net)

American Agriculture Movement

Buckeye Quality Beef Association

California Farmers Union

Cattle Producers of Washington

Colorado Independent CattleGrowers Association

Contract Poultry Growers Association of the Virginias

Dakota Rural Action

Independent Beef Association of North Dakota (I-BAND)

Independent Cattlemen of Iowa

Independent Cattlemen of Wyoming

Iowa Farmers Union

Kansas Cattlemen's Association

Kansas Farmers Union

Mississippi Livestock Markets Association

Missouri Farmers Union

Nebraska Women Involved in Farm Economics

Nevada Live Stock Association

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Ohio Farmers Union

Organization for Competitive Markets (OCM)

Powder River Basin Resource Council

R-CALF USA

Rural Advancement Foundation International – USA (RAFI)

South Dakota Stockgrowers Association

Texas Farmers Union

Western Organization of Resource Councils (WORC)

Attachment: Report: Failings in the Beef Checkoff Program

Cc: The Honorable Kathleen Merrigan
The Honorable Edward Avalos
The Honorable Phyllis K. Fong
Administrator Rayne Pegg