

Q: Please provide a brief accounting of all checkoff funds paid to the Farm and Ranch Alliance.

A: For fiscal year (FY) 2011, the Cattlemen's Beef Board approved funding for the U.S. Farmers and Ranchers Alliance (USFRA) in the amount of \$250,000; the National Pork Board approved funding for USFRA in the amount of \$3 million; the United Soybean Board approved funding for USFRA in the amount of \$3 million; the United Sorghum Producers Board approved funding for USFRA in the amount of \$5,000; and the American Egg Board does not fund USFRA as a full partner, but pays the \$5,000 per year to participate in marketing meetings. AEB has not funded any other projects with USFRA.

A combined total of \$6.26 million was provided by the national checkoff programs. However, other Federal checkoff funds (authorized for expenditure at the State-level) have also been provided to USFRA that are not subject to pre-approval at the Federal level and are not a part of these totals.

Q. Please provide an explanation of how this funding is in compliance with the applicable statutory authority and implementing regulations for each research and promotion program.

A: In 2010, several Research and Promotion Boards (Boards) asked whether they could allocate checkoff funds to support the newly formed USFRA. After reviewing documentation concerning the establishment and operation of the USFRA, the Agricultural Marketing Service (AMS), in consultation with the Department of Agriculture's (USDA) Office of the General Counsel, determined that Boards may fund a specific USFRA activity or project provided: (1) the activity or project is consistent with the specific Board's authorizing legislation and implementing regulation, as well as, USDA policy; (2) the Board approves the activity or project; and (3) AMS approves the activity or project. AMS will not approve the payment of checkoff funds to the USFRA for projects or activities that are not specifically identified or the payment of checkoff funds for general membership in the USFRA.

In addition, any checkoff funding of approved projects or activities that involved a Board member or others in a leadership role in the USFRA would require those individuals to recuse themselves from discussions related to influencing government policy or other activities prohibited by the Board's authorizing legislation, implementing regulation or USDA policy.

Q. What are the specific USFRA activities or projects that are funded by checkoff funds?

The USFRA developed an integrated communications campaign to target key consumer influencers, such as mommy bloggers, chefs, nutritionists, dietitians, and other thought-leaders on food. Through this outreach, the campaign helped address consumers' concerns, correct misinformation about today's food production practices and provide information on the long-term healthfulness of individual food choices. For example, on September 22, 2011, USFRA conducted an open forum with interested parties that addressed questions and concerns and ultimately enhanced the participants understanding of food raising practices.

Below is a brief description of checkoff activities funded by the Beef, Pork, and Soybean Boards:

1. Development of Digital/Online Media for Public Forums.

Checkoff funds were used to: 1) build a Public Web Portal; 2) develop a farmer/rancher social media outreach vehicle using social media tools to allow farmers and ranchers to discuss food production issues directly with those making food choices for themselves and their families; 3) explore partnership opportunities with key strategic partners as needed; and, 4) develop video productions designed to highlight continuous improvement of production practices.

2. Development of Informational Vehicles for Use by Media Outlets.

Checkoff funds were used for: 1) capturing and distributing informational interviews with USFRA board members for targeted media outlets; 2) media training in which USFRA would identify a broad and diverse group of farmers and ranchers to be spokespeople for delivering the USFRA message to target audiences; and, 3) writing opinion and editorial articles on behalf of USFRA board members and spokespeople for placement in targeted media outlets.

3. Strategic Outreach.

Checkoff funds were used to: 1) conduct a consumer survey with approximately 1,000 individuals from the general population and analyze the results; 2) distribute targeted messaging information; 3) conduct meetings and coordinate outreach with other agriculture groups and initiatives; 4) create materials, scripts and tools for consumer influencer outreach; 5) conduct and coordinate meetings with key customers of agriculture products and share messaging and content information with them to explore partnership opportunities; 6) develop four HTML emails for affiliates and strategic partners to distribute to their individual contacts; 7) travel to State and partner meetings as needed to train farmers and ranchers, allied industry and key influencer audiences on USFRA messages; and, 8) conduct administrative duties as needed to ensure successful implementation.

4. Purchased Advertising and Media Vehicles.

Checkoff funds were used to: 1) develop concepts for a targeted advertising campaign including print and banner advertisements; 2) finalize deployment of all advertisements; 3) develop recommended media buy to reach target audiences; and, 4) develop a Search Engine Optimization plan to track and analyze web activity.

Q. What is USFRA's Mission?

As stated on the USFRA's web site (<http://usfraonline.org/>), their mission is to:

- *“Enhance consumer trust in the U.S. food production system. We want consumers to know that America's farmers and ranchers share their values. We are committed to answering Americans' questions about how we raise our food – while being stewards of the environment, responsibly caring for our animals and maintaining strong businesses and communities.*”

- *Maintain and enhance the freedom of U.S. farmers and ranchers to operate in a responsible manner. In particular, we will emphasize farmers' and ranchers' dedication to continuous improvement of how food is raised or grown to meet the global demands.*
- *Strengthen collaboration within the food production, processing and distribution systems to lead the discussion and to share information about our food supply and industry”*

Q. How are the activities of the USFRA determined to be in compliance with the applicable statutes?

As mentioned in our earlier response, AMS consulted with the USDA's Office of the General Counsel and determined that Boards may fund a specific USFRA activity or project provided: (1) the activity or project is consistent with the specific Board's authorizing legislation, implementing regulation and USDA policy; (2) the Board approves the activity or project; and (3) AMS approves the activity or project. AMS will not approve the payment of untargeted checkoff funds to the USFRA or the payment of checkoff funds for general membership in the USFRA. Based upon these provisions, AMS determined that the authorizing statutes enabled Boards to fund specific projects with USFRA. The relevant statutory authorities are:

Beef Promotion and Research Act of 1985

Section 3(9), "Definitions", of the Beef Promotion and Research Act, defines "industry information" as "...information and programs that will lead to the development of new markets, marketing strategies, increased efficiency, and activities to enhance the image of the cattle industry." In addition, Section 3 (13) also defines "promotion" as "...any action, including paid advertising, to advance the image and desirability of beef and beef products with the express intent of improving the competitive position and stimulating sales of beef and beef products in the marketplace."

Pork Promotion, Research, and Consumer Information Act

Section 1613(12), "Definitions," of the Pork Promotion and Research Act, defines "promotion" as "...an action, including paid advertising, taken to present a favorable image for porcine animals, pork, or pork products to the public with the intent of improving the competitive position and stimulating sales of porcine animals, pork, or pork products."

Soybean Promotion, Research, and Information Act

Section 1967(7), "Definitions," of the Soybean Promotion and Research Act defines "industry information" as "...information and programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the soybean industry, and activities to enhance the image of the soybean industry." In addition, section 1967(13) also defines "promotion" as "... any action, including paid advertising, technical assistance, and trade servicing activities, to enhance the image or desirability of soybeans or soybean products in domestic and foreign markets, and any activity designed to communicate to consumers, importers, processors, wholesalers, retailers, government officials, or others information relating

to the positive attributes of soybeans or soybean products or the benefits of importation, use, or distribution of soybeans and soybean products.”

Egg Research and Consumer Information Act

Section 3(i), “Definitions” of the Egg Research and Consumer Information Act defines “promotion” as “...any action, including paid advertising, to advance the image or desirability of eggs, egg products, spent fowl, or products of spent fowl. In addition, section 3(k): also defines “consumer education” as “...any action to advance the image or desirability of eggs, egg products, spent fowl, or products of spent fowl.

Commodity Promotion, Research, and Information Act of 1996

For sorghum, section 513(7), “Definitions” of the Commodity Promotion, Research, and Information Act of 1996, defines “information” as “...information and programs that are designed to increase efficiency in processing; and the development of new markets, marketing strategies, increased marketing efficiency, and activities to enhance the image of agricultural commodities on a national or international basis. In addition, section 513(12) also defines “promotion” as “...any action taken by a board under an order, including paid advertising, to present a favorable image of an agricultural commodity to the public to improve the competitive position of the agricultural commodity in the marketplace and to stimulate sales of the agricultural commodity.