

March 1, 2014 Ohio Beef Checkoff Tax projected to double.

Memo: The Ohio Cattlemen's Association has initiated a referendum that is currently ongoing to increase Ohio's Beef Checkoff tax from \$1 to \$2 per critter sold, each time one sells. Voting by mail ballot is underway

The same amount of Beef Checkoff tax was put to a vote less than 2 years ago and was soundly defeated by Ohio voters where a 66% vote was required. The OCA has worked through the Ohio legislature and requested a rule change so that a simple majority vote rather than 66% would be required for passage. Now even an infant can vote if a single calf has been marketed or may be marketed in their name. The bar has been politically lowered for easy passing of this "cattle tax increase."

Vote Yes

By Frank Phelps, Ohio Cattlemen's Association president and Logan County beef producer

There are many reasons the Ohio Cattlemen's Association (OCA) board of directors initiated the referendum. Most importantly OCA supports the work of the beef checkoff to build demand for beef and believes increasing those shrinking resources is the right thing to do for the future of Ohio's beef industry. The exciting aspect of this referendum is that all of the additional \$1 will stay in Ohio to support beef demand building programs right here where nearly 12 million Ohio consumers reside. These consumers are looking for answers about where their food comes from, how it is produced, and if it is safe and nutritious.

These additional funds will not be used for administrative purposes or to hire new staff, but rather they will be invested in reaching our consumers with beef messages and to counter activists and anti-meat groups. They will fund programs including farm tours for health professionals, chefs, food writers and bloggers who influence how others think about beef. And they will extend beef's presence in Ohio classrooms and help market beef to millennial parents, the next generation of beef consumers.

The Ohio Cattlemen's Association encourages beef producers to join in this important effort to invest in our industry, our profits and our future by voting "Yes" on the beef checkoff.

Vote No

By Joe Logan, Ohio Farmers Union

In the coming weeks, farmers and ranchers will be asked to approve a proposal to increase the beef checkoff from \$1 per head to \$2 per head. The proposal is being marketed as an additional, refundable, Ohio-specific addition to the existing beef checkoff. Let's take a closer look:

Livestock producers, including, large commercial feedlots from outside Ohio will be allowed to vote.

Ohio livestock producers, whose livestock are processed and marketed outside Ohio will be invited to vote.

The process for obtaining a refund of checkoff dollars as stipulated in Ohio Law (Ohio Revised Code (ORC) Section 924.09) is sufficiently complex and bureaucratic as to deter most producers from doing so.

In addition, the same section of Ohio Law stipulates that the Director of the checkoff program, may, in lieu of a refund, send the checkoff dollars to the Cattlemen's Beef Promotion and Research Board.

Beyond these questionable marketing initiatives for the current proposal, The OFU urges beef producers to review the past and current position and activities of the National Cattlemen's Beef Association (NCBA), the primary contractor of the beef checkoff. According to a recent report by USDA's Office of Inspector General

(OIG), the NCBA gets 82.3% of their funding from the beef checkoff. As such, one might expect that they would promote policies that favor U.S. beef producers and the domestic beef consumers. Not so.

On January 28, 2014, as the Farm Bill was nearing approval, Collin Woodall, NCBA's V.P of Governmental Affairs said that their number one objective was to repeal Country of Origin Labeling (COOL) for livestock products — a policy that is overwhelmingly supported by consumers and by independent farmers and ranchers. NCBA even called for the defeat of the Farm Bill, despite containing a multi-million dollar livestock disaster assistance program.

Another Farm Bill priority for the NCBA was to include language that would prevent USDA from implementing the provisions of the 2008 Farm Bill regarding the Grain Inspectors Packers and Stockyards Act (GIPSA) these rules were designed to promote fairness and transparency in livestock markets.

OFU, along with most consumers and most independent farmers and ranchers, strongly support COOL and the GIPSA rules. We find it amazing that NCBA, an organization funded primarily by a U.S. government-mandated beef checkoff program would oppose programs that are favorable to U.S. farmers, ranchers and consumers.

NCBA and the beef checkoff have presided over a dramatic reduction in the number of farmers and ranchers in the U.S. Per capita beef consumption has also declined during their tenure.

Sadly, the only plausible explanation for NCBA 's policy positions is that they are representing the interests of multi-national beef processors, such as JBS, the giant Brazilian beef processor that now owns some of the largest beef processors and feedlots in the U.S.

We believe that a doubling of the beef checkoff is neither prudent nor productive for Ohio Farmers.

Between the lines:

OCA ignores the global picture. If the Ohio tax dollars collected and invested actually would increase beef prices in Ohio it will be a marketing miracle. Currently over 60% of Ohio produced cattle are exported to distant or joining states for sale or processing. More than the same volume of meat products are imported into Ohio from western packers in Nebraska, Kansas and states where cattle feeding is more economical than Ohio. To actually increase value for Ohio beef products, the real plan would be to develop large Ohio feed lots and major packing facilities, of which, now, are non existent. (In 2013, Ohio imported 18% of beef consumed from foreign countries outside of the USA.)

OCA publically states, "funds will not be used for administrative purposes or to hire new staff." Has there ever been any 200% increase to a budget, attached to government fungibility tactics, that staff, salaries and benefits are not increased?

All Beef Checkoff tax votes and future proposed increases should be rejected by producers. The whole concept has been unsuccessful, and flawed in efficiency and scope. Auction facilities, dairies, and all beef producers can more easily promote their products individually than state or national multi-million dollar lavish budgets. Please vote NO on the Ohio ballot this month. You don't have to live in Ohio to vote. Must be post marked before March 20.

If a no vote is the majority in Ohio, it most likely will be voted again within 2 years. If it is a yes vote in Ohio, within a few years there will be a ballot to double the amount of funds needed, and again – no more staff will be required to manage the fund.

Vote by mail now: Attached - voting rules and an official ballot. If more ballots are needed feel free to print your own.