

2021 HOUSE AGRICULTURE

HB 1487

2021 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1487—a.m.
2/5/2021

Relating to the beef checkoff

Chair D. Johnson called the meeting to order at 9:52 a.m.

Attendance	P or Ab
Chair D. Johnson	P
Vice Chair Trottier	P
Representative Beltz	P
Representative Buffalo	P
Representative Dobervich	P
Representative Fisher	P
Representative Headland	P
Representative Kiefert	P
Representative Richter	P
Representative Satrom	P
Representative Schreiber-Beck	P
Representative Skroch	P
Representative Thomas	P
Representative Tveit	P

Discussion Topics:

- Percentage refunded
- Procedure for claiming refund
- One-word change from “must” to “may”

Representative Ertelt introduced the bill-Attachments #5663

In Favor

Kerry Dockter, President of Independent Beef Association of ND testified in favor: Attachment #5697 and 5698

Scott Shively, Rancher, Towner ND testified in favor: Attachment #5660

Vicki Horst, Glen Ullin, Ranching family, testified in favor: Attachment #5606

Jack Nagel, Rancher, Director for IBAND (Independent Beef Association of ND) testified in favor: Attachment #5621

Frank Tomac, Rancher testified in favor: Attachment #5604

Ann Bernhardt, Farm Wife/Rancher testified in favor: Attachment #5613

Stefanie Maher, Wife/Rancher testified in favor: Attachment #5396

Dwight Keller, Rancher testified in favor

Spencer Stearns, Rancher testified in favor: Attachment #5555

Allen Lund, Rancher testified in favor: Attachment #5571

August Heupel, Rancher testified in favor: Attachment #5337

Opposing

Jacy Hauge, Young Producer testified in opposition: Attachment #5694 (11:18 a.m.)

Jeff Schafer, President, ND Stockmen's Association testified in opposition:
Attachment #5695

Neutral

Nancy Jo Bateman, Executive Director, ND Beef Commission testified in neutral position:
Attachment #6191 & 6192

Chair D. Johnson called recess at 12:04 p.m.

ReMae Kuehn, Committee Clerk



NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

#5663



Representative Sebastian Ertelt

District 26
906 Ash Street
Lisbon, ND 58054-4316
sertelt@nd.gov

COMMITTEES:
Finance and Taxation
Political Subdivisions

February 5, 2021

Chairman Johnson and Members of the House Agriculture Committee,

I bring to you today, House Bill 1487, and urge a unanimous DO PASS recommendation.

House Bill 1487 changes only one word, “shall” to “may”. Shall indicates a mandate. May indicates a voluntary action. House Bill 1487 would make voluntary the state assessment portion – passed in 2015 – of what is known as the beef checkoff. There is no impact to the federal assessment portion of the beef checkoff. Testimony for the 2015 legislation can be found at <https://www.legis.nd.gov/files/resource/64-2015/library/hb1238.pdf>.

I was initially asked to introduce legislation on the issue of the beef checkoff by a lone constituent. Little did I know that there would be so much support for it. Agriculture organizations such as North Dakota Farm Bureau (NDFB), North Dakota Farmers Union (NDFU), and The Independent Beef Association of North Dakota (I-BAND) all support voluntary beef checkoffs. Further, North Dakota Farm Bureau policy is also for refundable commodity checkoffs and North Dakota Farmers Union policy is for an opt-in beef checkoff.

As can be seen in the attached email message from Legislative Council staff, various terms describing a payment from a citizen to the state are used in the North Dakota Century Code. Whether you call it an assessment, checkoff, fee, contribution, charge, or toll, they are all taxes – compulsory payments to the government – whether levied by those elected or appointed.

While I will leave most of the testimony in favor of House Bill 1487 to the beef - or more accurately, cattle - producers of the state, I would like to address the fiscal note attached to this bill. First of all, you will notice that the fiscal note was prepared by the North Dakota Beef Commission, to whom the checkoff tax dollars flow. It is unfortunately unsurprising to see the biased and inflammatory language and figures. The ND Beef Commission and others want to claim widespread support for the beef checkoff tax and at the same time claim that “a voluntary program will yield little to no participation”. Both cannot be true.

From: [Thompson, Emily L.](#)
To: [Ertelt, Sebastian](#)
Subject: Terms for fees
Date: Tuesday, January 19, 2021 10:35:52 AM

Good Morning, Representative Ertelt:

Various terms describing a payment from a citizen to the state are used in the North Dakota Century Code. Examples include:

- Tax

57-38-30.3. Individual, estate, and trust income tax.

1. A **tax** is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. A taxpayer computing the **tax** under this section is only eligible for those adjustments or credits

- Fee

57-40.6-14. Prepaid wireless emergency 911 fee.

1. There is imposed a prepaid wireless emergency 911 **fee** of two and one-half percent on the gross receipts of sellers from all sales at retail of prepaid wireless services in this state.

- Assessment

4.1-04-10. Assessment.

Until the commissioner certifies that a national corn checkoff is in effect, an **assessment** at the rate of one-quarter of one percent of the value of a bushel must be imposed upon all corn purchased by the first designated handler in this state.

- Contribution

39-03.1-09. Payments by contributors — Employer payment of employee contribution.

1. Every member, except as provided in section **39-03.1-07**, shall contribute into the fund ten and thirty-hundredths percent of the member's monthly salary, which sum must be deducted from the member's salary and credited to the member's account in the fund. Member **contributions** increase by one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, with an additional increase of one percent, beginning with the monthly reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014.

- Charge

61-35-68. Sewer or water improvements in districts may be paid for by service charges.

A district constructing a sewer or water improvement under the special assessment method may resolve in the resolution or ordinance required by section **61-35-52**, that a portion of the cost of the improvement must be raised by service **charges** for the use of the improvement and of the utility of which it forms a part. If the district so resolves, it may determine in its resolutions, ordinances, and

- Toll

40-36-16. Duties of municipality and officers.

In order that the payment of refunding bonds and interest thereon shall be secured adequately, any municipality issuing refunding bonds pursuant to this chapter, and the proper officers, agents, and employees thereof, shall:

1. Pay or cause to be paid punctually the principal of every refunding bond and the interest thereon on the date or dates, at the place or places, in the manner, and out of the funds, mentioned in such refunding bond and in the coupons thereto appertaining and in accordance with the resolution authorizing its issuance.
2. Operate the enterprise in an efficient and economical manner and establish, levy, maintain, and collect such fees, ~~to~~, rentals, rates, and other charges in connection therewith as may be necessary or proper. Such fees, ~~to~~, rates, rentals, and other charges shall be sufficient, after making due and reasonable allowances for contingencies and for a margin of error in the estimates, at least

Best regards,

Emily Thompson

Code Revisor

North Dakota Legislative Council

600 East Boulevard Ave

Bismarck, ND 58505

emilythompson@nd.gov

701.328.2916

Attention Cattle Producers!

HB 1487 will make North Dakota's state beef checkoff voluntary. Why should cattle producers support HB 1487?

Fact: The state beef checkoff was enacted by legislators in 2015. That year, the North Dakota Beef Commission submitted \$142,906 to NCBA, slightly more than the commission sent to NCBA the year prior.

Fact: In 2016, the commission sent \$217,445 - a 52% increase in contributions to NCBA over 2015.

Fact: In 2017, commissioners sent \$385,266 — a 44% increase in North Dakota checkoff money sent to NCBA.

Fact: In 2018, the beef commission delivered \$334,315 to NCBA. (A 13% reduction.)

Fact: In 2019, the North Dakota Beef Commission delivered \$501,703 to NCBA — a 50% increase over the prior year.

Fact: In 2020, the North Dakota sent a staggering \$738,648 to NCBA — representing a **416% increase** in North Dakota checkoff funding being sent to NCBA over 2015, when the state checkoff was enacted.

(Data collected from NCBA annual reports available online at

www.ncba.org/federationannualreport.aspx. You can check the figures yourself.)

Fact: The state checkoff money state beef councils send directly to NCBA circumvents the Cattlemen's Beef Board and the Beef Promotion Operating Committee, established under the Beef Research and Promotion Act. This means NCBA alone is free to determine how the money will be used to research and promote beef.

Fact: NCBA has a long history of fighting country of origin labeling (COOL). In 2013, NCBA joined eight other groups — Canadian, Mexican, and the packing industry — suing USDA over its implementation of the COOL rule for beef and pork declaring before the U.S. District Court in D.C. that **“beef is beef, whether the steer or heifer was born in Montana, Manitoba, or Mazatlan.”** (Reference: ecf.dcd.uscourts.gov Civ Action No 13-CV-1033 KBJ)

Fact: The beef checkoff foots the bill for 70% of NCBA's overhead expenses.

Question: Are North Dakota cattle producers better off today than you were five years ago when the North Dakota Legislature implemented the \$1 per head state checkoff?

That's why ranchers need to make contact with Ag Committee members immediately and tell them you want to be able to choose whether to contribute rather than being forced by state lawmakers to do so. There's no time to waste.

With about 5 minutes of work you can go to ND Legislature.gov and track down phone # and an email for you legislators. These guys assume we are all represented by NDSA because they have told them that. Last year calves were worth about 40 or 50 dollars or more less than the year before this year subtract another 50 or 60 dollars. The obvious is that this system is not working and we need to change what we do and who we have represent us SCOTT SHIVELY

701-721-3423 Kerry Doctor IBAND chairman 701-220-7941

HOUSE BILL 1487

Good Morning Chairman Johnson & Members of the House Agriculture Committee,

For the record, my name is Kerry Dockter, I am a beef producer from central North Dakota and I am currently President of the Independent Beef Association of North Dakota.

I am here today to testify in support of HB 1487. I feel the question here today is whether this committee is with the changing of one word in this bill, from MUST to MAY.

When looking back to the testimony presented in 2015 on HB 1238 to allow the increase in the checkoff, I feel we who were opposed were misled. It was highly suggested by the House Committee Members that this increase in money was meant to help North Dakota producers. We were told there was a miscommunication between Beef Checkoff people & producers. The Beef Commission was warned "Do Not Lose Control of the Money, you will not be looked upon fondly amongst the legislature if this money goes to the National Board." Also, it was stated in testimony by a member of the Ag Committee "Make sure the dollars stay local & that it is impacting research in our State & marketing our products."

To be very honest, I-BAND opposed the 1238 bill in 2015 because of fear that our hard earned dollars paid by our producers would not stay in our state & would go to the NCBA, which is exactly what has happened. In my opinion I don't believe NCBA can truthfully and honestly represent the Beef Industry of our State, "mainly cow-calf producers and feeders" and the Meat Industry "the Packers" at the same time.

So looking back from 2015 until now:

1. We have lost M-Cool in which NCBA was a strong opponent & this removed our ability to label our US born, raised & processed beef. Why would we want to send our dollars to such an association?
2. Our markets have declined easily by 50% of what they were in 2015 so how did the second dollar for the checkoff help our beef industry?
3. We have seen a decline in producers from 10,000 in 2015 to less than 8,500 in our state currently.
4. We have also seen a rapid decline in per capita consumption of beef.
5. Our latest dietary guidelines are promoting more macaroni, refined grains, less dairy products & red meat, poultry & eggs all lumped together as a source of protein with beef losing its identity.

6. More & more producers are coming forward and voicing their concerns as to what our checkoff dollar is really doing for them.

Solutions:

1. Make this second dollar voluntary.
2. Keep as much of ALL of the checkoff dollars allowed locally and in state to fund;
 - a. Research
 - b. Give financial support to building in-state beef processing facilities to add value & promote North Dakota born, raised & processed beef.
 - c. Provide our excellent product to schools to exceed their dietary guidelines.
 - d. Provide a product that our consumers are asking for that is identifiable, wholesome & nutritious.
3. Add value to beef much like corn has done with ethanol & soybeans with biofuels.
4. Invest our checkoff dollars in state so we can develop common ground between organizations like I-Band, NDSA, NDFU, NDFB, Dairy Industry and Feeder Industry to improve our Beef Industry in our state.

Thank you for the opportunity to testify in support of HB 1487.

Any questions.

My name is Scott Shively and I live in Towner, N.D. and manage a herd of seed stock Angus at Pleasant Lake, ND and have for 50 years. My grandchildren are the 6th generation of my family to raise Angus cattle. Today I am testifying on House Bill #1487 hoping to help it pass. I will give you a little history on my participation in the Beef Checkoffs.

1. I voted for the Beef Checkoff in the 80s believing it was in my best interest as a beef producer and believing that it was shielded from politics
2. By the year 2000 after seeing most of the potential good diminished and the promises made being broken I have been a vocal opponent of the Beef Checkoffs.
3. When the N.D. dollar was passed I was opposed and felt as though it was imposed on ND cattlemen without our having a say. I knew in 2015 the NDBC was sending money directly to NCBA and I knew this practice would only grow.
4. There is a petition to get an up or down vote on the Federal part of the program and myself and my family have signed the petition and will vote down the program if given the chance. I believe that program should be made voluntary.
5. I believe the ND check off should also become voluntary.

There is not enough time to go through will all my problems with the existing checkoffs but I will attempt to explain my frustration is a little different way:

Let's suppose that N.D. Republicans like most of you on this committee are were forced to send your campaign funds to the ND Democratic NPL for management. Not only is control of how your moneys are spent ceded to the Dem-NPL you are forced by the rules to pay 70 percent of the salaries to the Dem-NPL's staff as well as other operating expenses like the lights, heat, travel and other expenses. After that the Dem-NPL could decide how to best promote the Republican candidates and take 40 percent of the money as overhead for each campaign they approved. Built into the system would be a certain amount of money for the Dem-NPL to do studies that back up what a good job they are doing for the Republicans. Along with this radio, television and print self promotion of the value of the Dem- DFL system for Republicans would be part of the arrangement.

My friends on this committee make no mistake that ND cattlemen, US Cattlemen are forced into a system that operates much like the system I just described. Both the US Beef Checkoff (50% CBB 50% NDBC) and the ND Beef Checkoff are entangled in this unfair system. The gross unfairness of the checkoffs is that the political beneficiary and major player in spending the Beef Checkoffs is the National Cattlemen's Beef Association or NCBA as most of us know it. NCBA is a political group. To top it all off an entity of the NCBA, the Federation of State Beef Councils operates within the NCBA without any corporate transparency or accountability. A big chunk of ND Checkoff money goes there. Further the Federation is a pay to play system with states buying seats on the boards and

committees. The Beef Promotion Operating Committee within the Cattlemen's Beef Board that makes the decisions about check off spending is comprised of 10 members from within CBB and ten members from the Federation.

Make no mistake about it NCBA is a political group. I would argue as would many of US cattlemen that NCBA represents the packers and their interest above those of cattlemen. How can you represent both cattlemen and the packers who are stealing our cattle. I will tell you what ND and US cattlemen want: labeling-we want labeling as to origin, if we can differentiate our product then we can fairly promote it, we want the packer monopolies and price fixing practices examined and we want relief, we want some controls on imports for economic and health reasons and we want competition to be restored to our industry. NCBA has failed on all of these accounts instead choosing that cattlemen become welfare recipients of national programs. These programs will ultimately favor bigger producers over small and eliminate family farms and ranches. What does the ND Beef Checkoff have to do with NCBA. NCBA has been the largest beneficiary of the checkoff. The North Dakota Beef Council sent 100,000 plus dollars to NCBA-Federation in 2015 which has steadily increased with this new checkoff funding to well over 700,000 dollars in 2020.

I was not here in 2015 when the ND Check off was created but I was told that one of the commitments of the proponents was to not allow any of the money into NCBA hands. I believe that by statute the ND Beef Commission would have the same fiduciary responsibility to the state dollar that it has to the 50% it controls of the federal program. I believe that it is limited to the same purposes as the federal dollar those being promotion, education and research.

I am not going to spend a lot of time on where I think the NDBC has failed or done well. The fact is the accounting is unclear and confusing. We know they have given money to NCBA and the Federation. A Federation report from 2018 shows that the Federation received over a half a million from the NDBC. In a Jan 2021 phone call NCBC Chairman Weston Dvorak admitted he had reservations about the Federation and it's schemes. There is a playbook of NCBA, CBB, and Beef Check off talking points that will refute some of the things critics of the check off might say for instance the 39% overhead for NCBA is allowed for expences in their promotions is rounded off to 9% in their talking points . They talk about a 14 dollars return for every dollar invested in the Beef Checkoff. Seventy thousand dollars of checkoff money paid for that ridiculous study. The study was what I call a partial. They factored in the value of exports and left out the costs of imports. Actually the terminology is 14 dollars for every extra dollar invested whatever that means. And of course the 70% of salaries and expenses for NCBA staff is something they will not want to talk about.

Perhaps the greatest reason to dump the current systems is that NCBA and our Beef Checkoffs have joined forces with anti animal agriculture, extreme environmentalist, extreme animal rights and extreme dietary control groups to roundtable in support of things like fake meat and taking animals of the land. Our checkoff- the ND dollar has funded the US Roundtable for Sustainable Beef and the Global Roundtable for Sustainable Beef. These organizations pretend to have society, the earth and us stupid ranchers as things they care about. One of the prerequisites of being a member of these roundtables is that the corporations obey the laws. Tyson and JBS just admitted to price fixing and they are still welcome. NCBA admits to the anti animal agriculture agendas of this group but

justifies their and the Beef Checkoff's joining with them as keeping an eye on the enemies.

NCBA has taken our check off and built a state of the art spy center (war room) in their headquarters to keep an eye on the enemies of beef. Buloney- they are spying on the critics of the check off and NCBA and wasting our money doing it.

We were promised in these check offs transparency, accountability as well as an always present firewall between the check offs and politics. We have recieved none of those things. Read the transcripts and testimonies from 2015 when this check off was passed. This was a dollar – just another dollar but this one to benefit ND cattlemen. I am sorry but that is not the case. The only conclusion I can arrive at is that this dollar and the system it benefits are an elaborate money laundering scheme that has sucked up much of the check off to the detriment of farmers and ranchers in ND.

My testimony may seem like it is about everything but this bill and this dollar checkoff. I am sorry but this simple little thing is very complicated. The powers to be designed it that way so we wouldn't know what they were doing with our money. It is our checkoff. The checkoff belongs to cattlemen but the very people we entrust to wisely use and invest these dollars just keep handing them over to NCBA. It is time to make both of these checkoffs voluntary and responsible to cattlemen instead of political groups. That is the only fair thing to do.

Attention Cattle Producers!

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701-721-3423 Kerry Doctor IBAND chairman 701-220-7941

Support bill 1487-Beef Checkoff

Good morning,

My name is Vicki Horst, I am here as a cattle producer also representing my husband and son who are on the farm feeding cattle this cold morning. I am from Glen Ullin in District 36.

Have you ever been in the checkout line at a store when the cashier asked if you would like to donate a \$1.00 or round up your purchase? I love those programs- I can say yes or no. Now imagine that they automatically added that amount to your purchase. If you do not approve or want to support the charity you could stand in line at the customer service desk to get your dollar back. This is how the beef check off works.

The fiscal impact statement shows concern that there will be low participation if this bill is passed. Maybe the real question is-why do they feel there will be low participation? Beef producers are smart people that can make their own decisions. If we feel that our dollars are working for us, we will contribute. If we feel the ND Beef Commission is not doing their job, we should be able to withhold our money.

Please vote in favor of this bill. Thank you for your time.

Sincerely,

Vicki, Craig & CJ Horst

6598 Hwy 49

Glen Ullin, ND 58631

HB 1487

Chairman Johnson and members of the House Agriculture Committee,
I am Jack Nagel. I am a semi-retired farmer/rancher from District 28. I am also a Farmers Union Member and since 2015 have been a Director for the Independent Beef Association of North Dakota (I-BAND)

I am testifying in support of HB 1487.

In 2015 the bill was introduced to increase the beef checkoff by \$1.00. Testimony by the North Dakota Stockmens Association was that 3 out of 4 US and ND cattle producers were in favor of the beef checkoff. Since I opposed the bill, I phoned a Director of the I-BAND organization to see what I could do to help defeat this bill. I was told to call area cattle producers and have them call the Senator Ag Committee before the next day. That night I made 18 random phone calls (I had no idea of what producers thought). Of those 18 calls 16 were against the increase in the checkoff and 8 of those 16 stated they would like their first dollar back. How that equates to 75% being in favor of the checkoff is different math than I learned.

I am currently helping the South Dakota Livestock Marketing Association circulate a petition to give the U.S. cattle producers the chance to have a referendum or vote on the \$1.00 mandatory beef checkoff (the first dollar). I have turned in 16 pages of signatures and I picked these up in 3-4 days last week. I can honestly say, I had no idea of the overwhelming support for having a vote on the beef checkoff and also the complete lack of support for the beef checkoff, the way it is run now. In a fiscal review put out by Ms. Bateman, she twice states, if their bill passes there probably would be very little or no participation. Incidentally, the 2 people in 2015 who were in favor of increasing the checkoff have signed this petition.

I would ask, when you make your decision on this bill, you would carefully consider what the vast majority of producers feel about this bill.

Finally, I would like for you to ask the North Dakota Stockmens Association why, if there is such overwhelming support for the checkoff, why they do not want a producer vote.

With that said, I would like to thank you for your time and the service you are providing to this state. If you have any questions, I would be happy to attempt to answer them.

#5604

Chairman Johnson, members of the House Ag Committee,
My name is Frank Tomac from Dist 31 more specifically Sioux County.

I am here in support of HB 1487 because of the lack of accountability.

There has been no accountability for the state checkoff that was implemented in 2015. You'd think that for the last 5 ½ years, someone on the ND Beef Commission would've come up with an idea of letting the producers know where their extra dollar is being spent. That's the accountability I'm talking about.

As a member of the NDFU, NDSA, IBAND, USCA, RcalF-USA, I voluntarily pay dues to those organizations and in return, I get monthly or quarterly updates through their magazines or newsletters of what their staff is up to, what they've been working on and what they plan to be working on.

Not so with the ND Beef Commission. I am paying, the extra dollar, mandated by you the legislature, and getting almost nothing in return. Yeah, I could go on their website, I can read their annual report, Or I could tear the insert out of the Stockman magazine and read it. But how many producers in the state does that cover? About 30%? So about 70% of the producers of the state do not get the Stockman magazine. Which means 70% of the producers in the state are not informed about the ND Beef Commissions 'annual' report, or what the ND Beef Commission is up to or where our money is being spent.

The 9 members and 2 'ex officio's' on the ND Beef Commission have had over 5 years to figure this out, to better inform the producers, to send out quarterly reports, to keep the money in state. But evidently they feel it's more important to send the money on to the national level, where theoretically 'our dollar gets more bang for the buck'.

I do not support that line of thinking, there needs to be more accountability. And I do not think we should be forced to pay an extra dollar per head when we have no idea what it's being spent on.

I urge you to vote yes and recommend a 'do pass' on HB 1487.

Thank You.

Frank Tomac

Chairman: Johnson

Members of the Ag Committe

I am Ann Bernhardt from District 28. I am a farm wife and work part time for the Department of Human Services. My husband Kevin is at home feeding the cattle, Kevin and I are in favor of Bill 1487.

Currently there is a fund raising campaign going on in which state employees can pledge a monthly donation of any amount through payroll deductions. I'm not sure if our state legislators participate in this fundraiser but I'm going to use this example for the story I will tell today. I will use the fictitious name of "Feed The People."

One day the director from the "Feed The People" Organization went to the Office of Management and Budget at the state capitol and requested that \$200 be deducted from each senator and representative's paycheck each month. When the secretary asked why this was being done the director said, "It's a good program, and the majority of our legislators are in support of it."

So the first of the month after paychecks were deposited a few of the legislators noticed that \$200 was deducted from their check. Ollie who was a fiscally responsible representative wanted to know "Why?" So off to the HR department he headed. Ollie inquired why \$200 was deducted without his approval. Office staff told him that all the legislators were in favor of this program because "Feed The People" was good for our community. Ollie said, "I'm not saying they do good or do bad, I'm only saying I don't want to donate!" After a bit of arguing the receptionist said, "You have the right to get your money back." Ollie said, "Ok, give it to me." The receptionist responded with, "It's not something I can do, you will need to contact "Feed The People" directly. So after session that day Ollie stopped by the "Feed The People" office but there was nobody available to help him. A few days later Ollie decided to call "Feed The People," again nobody was available so he left a message. A few weeks passed and Ollie still had not heard back from "Feed The People. Ollie was busy with the 67th legislative session so he asked his wife Lena to call for him. When Lena called "Feed The People" she was asked if her name was on his paycheck and Lena replied with, "No it isn't" the receptionist responded with, " Then I'm sorry, but I won't be able to help you today, Ollie will have to contact us himself." When Ollie returned home on Friday Lena informed him that he must call himself.

When Ollie called Monday morning he was disappointed when the receptionist told him, "I'm sorry, you missed the deadline, you had to request the refund within 10 days of getting paid. Ollie hung up very frustrated. In March when Ollie called for his refund he was asked several insulting questions as to why he wouldn't participate. For the next 10 months Ollie went through the very frustrating process of requesting the form, returning the completed form with a copy of his paystub and then patiently waiting for his \$200 refund hoping he had done everything correctly.

Ollie being a member of the House of Representatives decided a bill was needed to protect all individuals from organizations that unfairly pushed bills through legislation for their own personal gain without a vote by the people the new bill would affect.

There are a few key points to my story.

- #1) Ollie was never given a voice before the decision was made to withhold money from his pay check.
- #2) Ollie had to jump through hoops each month to get his refund.
- #3) Ollie worked hard for his paycheck and nobody should be able to spend his money without going through the proper channels.

I hope my little story today has put the cattle producer's situation into perspective for you.

Shortly you will be hearing testimony from the opposition of bill 1487. Who are these people opposing the bill?

Are they cattle producers who drag their calves through the snow and mud?

Are they Producers who get up 3 times a night to check cows who are in labor?

Are they producers who watch the livestock sales for weeks hoping to hit a good market?

OR – are they employees and spouses of the Stockmans Association who depend on their paychecks, directors who travel on our check off dollar and eat fancy meals at the producers expense.

I can honestly say that I have not talked to one producer who is in favor of the check off dollar.

I ask that you keep in mind my little story when you make your decision this afternoon.

Thanks for your consideration.

Ann & Kevin Bernhardt

1860 73rd St SE

Linton ND 58552

Good Morning Chairman Johnson and members of the House Agriculture Committee. My name is Stefanie Maher. My husband and I ranch in South West Sioux County where we raise registered cattle.

I appear before you today, to urge you to vote in favor of HB 1487. As the bookkeeper for our operation, I find it extremely difficult to get the refund form from the ND Beef Commission. Their way of doing things hasn't made this process 'simple as possible.' My name is on the cattle brand as well as bank statements and other important documents regarding our operation; yet I cannot get this simple piece of paper for a refund because my name isn't on the sale slip. Changing the word 'must' to 'may' will truly make this voluntary.

My personal experience with calling the ND Beef Commission has not been pleasant. Every time I would call in it would take at least 10 minutes on the phone because our sale slip is in the ranch name. I would have to state that I am part of the ranch and that my name is on the brand. This lady would then transfer me to another where I would have to explain my point again that I am qualified to request the Beef Check Off refund application because the ranch name is my husband and myself. They would normally mail the form out then. There was once that they absolutely would not mail until they talked to my husband.

I finally became fed up with the process. So, I quit calling to request the refund application. I didn't want to deal with the headache. I never called for a year and then decided it is my money and I'm going to get it back. The only way to do this was to call the sale barn to place my name on the sale slip. I have to make sure my name is on the slip every time we sell any cattle.

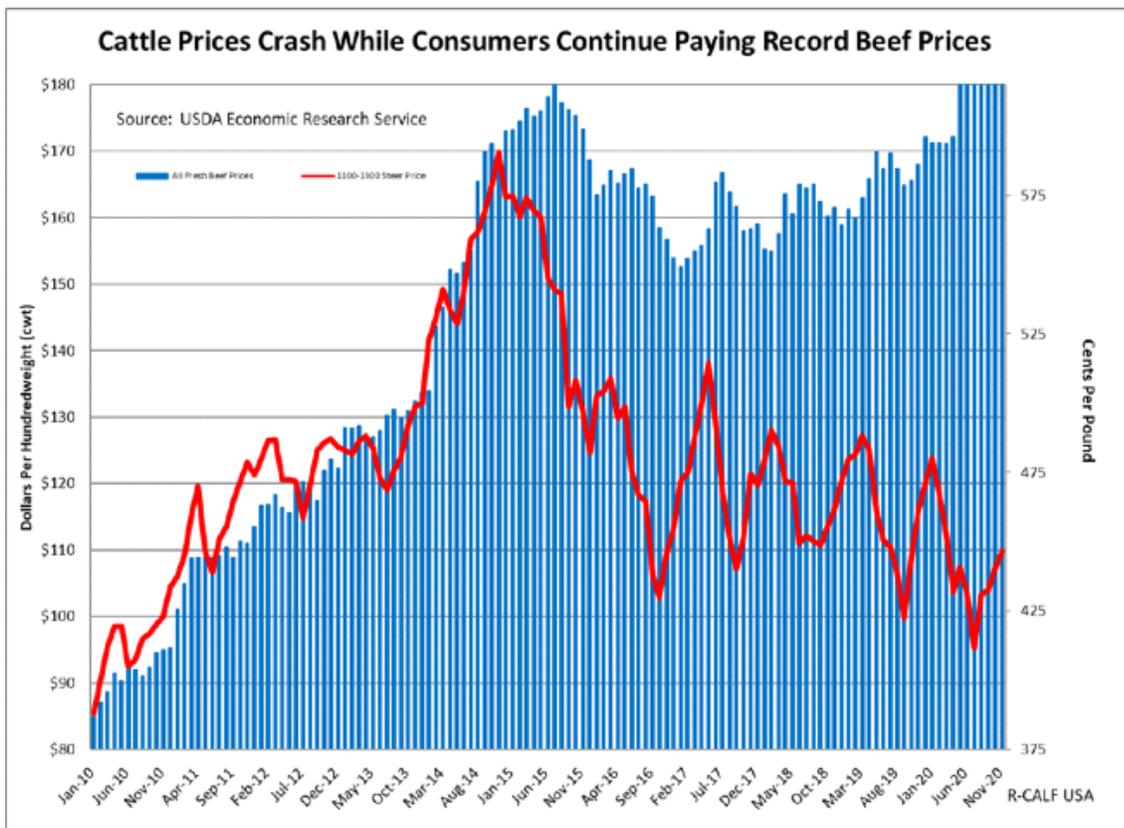
Thank you for hearing my concerns. I would be happy to answer any questions.

February 3, 2021

Agriculture Committee - HB 1487

Does the \$1 checkoff put into law, by the State of North Dakota in 2015 have any meaningful benefit to cattle producer's of North Dakota? The Checkoff dollars are spent on promoting beef from all over the world and the United States. I have never been able to comprehend why these dollars (1 million per year) are not spent promoting BORN and RAISED in North Dakota cattle. We already pay our fair share with the national checkoff dollar. When the State and National Government cattle boards (Beef Commissions) have spent some 400 million dollars the last 5 years do we think North Dakota producer's \$1 checkoff is going to make a difference on a national level? The 4 to 5 million \$1 checkoff dollars that have been taken from North Dakota cattle producers over the last five years would look real good back in their pocket. They could use it the way that suits them and not some government board.

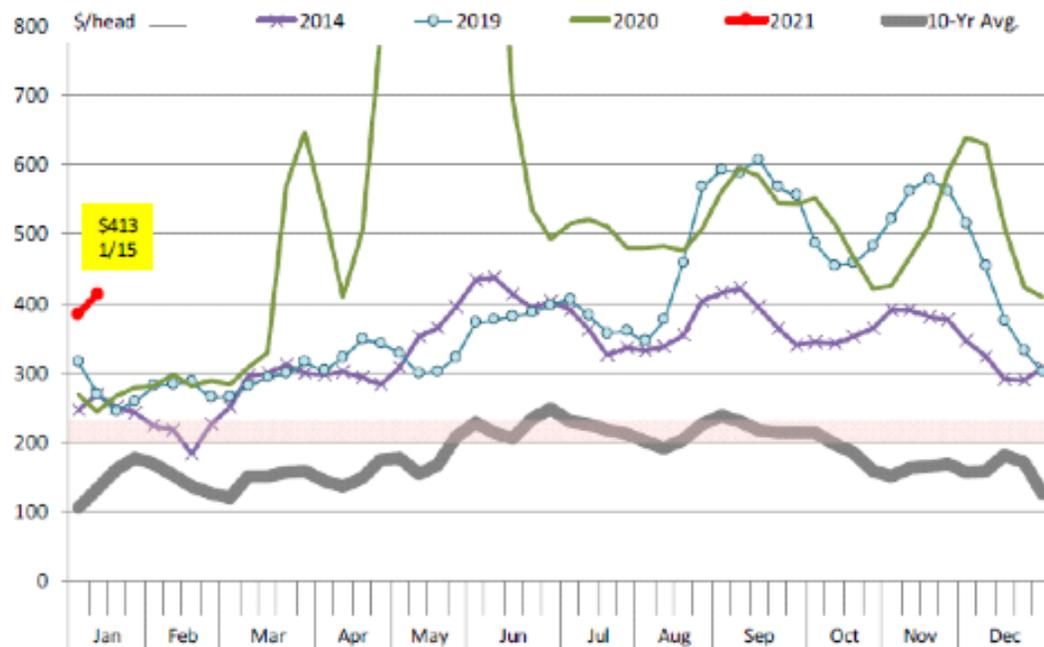
The past 5 years has shown us that the old model, of increasing consumption and thinking profits would follow doesn't work very well for the producer anymore. (figure 1.1) When packers realized that they can do what they want to cash cattle markets and get no push back from government or cattle groups, its Katie bar the door. Packer profits through the roof, cattle prices to the basements. (figure1.2)



(figure 1.1)

BEEF PACKER CALCULATED GROSS MARGIN. \$/head

Calculated using the Comprehensive Cutout, Drop Credit and Negotiated Fed Cattle Prices



(figure1.2)

Kathryn Miller the Chief Operational Officer for a regional Texas-based packer said at a SD Farm Bureau Convention "There is no way in this industry that you can tie the value of fed cattle to the value of beef". Makes you wonder why our government beef boards are so willing to give away our checkoff dollars to packers. Taking dollars from those who make the least per head and giving them to those who make the most.

Long as the checkoffs are forced on producers by government beef boards, that are accountable to no one, things will not be changing any time soon. But you know it's only a dollar per head. When we sell cattle at the sale barn, we have worked all year long for that check, only to see the government beef board standing there with their hand out telling you to give more, because they have Product of USA meat to promote not knowing what country it might be from.

The 2015 checkoff law was drafted with several steps that have to be taken in order to get your money back. Two time frames you have to meet, and a phone call that has to be made by the seller whose name is on the check (your spouse) can't make the call. It's like they hope you forget one of the steps. One form to copy and use over again would make too much sense. The refund part of this law must be the best kept secret in North Dakota, of the people I have asked nobody knows you can get your \$1 back.

HB 1487 is only changing one word, the producers that think the government beef board is working for them should be more the willing to continue with the donation. For those of us who think this is one step on the walk to better cattle markets please vote to change the word, to voluntary. Our sons and daughters and grandkids thank you.

Spencer Stearns - 47 years of experience raising and feeding cattle

815 Chestnut Lane, Oakes ND 58474

2-5-21

HB #1487

Chairman Johnson, distinguished members of the House Ag Committee:

My name is Allen Lund. My wife and I own and operate a cow/calf ranch near Selfridge, ND.

I rise in favor of House Bill 1487.

To say the least; I was very disappointed when the North Dakota Beef Checkoff was enacted, during the 2015 Legislative Session. No questions were answered as to how and where the money would be spent. According to the National Cattlemen's Beef Association's annual reports; the North Dakota Beef Commission has sent them over 2.3 million dollars in the last 5 years. When our state's beef checkoff was enacted in 2015, there were only seven other states in the U.S. that had a separate State Beef Checkoff. Last year North Dakota's Beef Commission gave the National Cattlemen's Beef Association \$738,642.00 or over 122 thousand dollars more than the other seven states combined.

During the 2015 Legislative assembly; a restaurant owner testified in favor of the new proposed checkoff. He stated that beef was going up so fast that he couldn't raise his menu prices fast enough and might have to quit beef and just sell chicken and fish. I thought "huh". Don't know if it's just a coincidence, but cattle prices have declined every year since. Another gentleman was asked why the producers shouldn't vote on the additional checkoff and replied "we don't want to put the cattle producers through the hassle of having to vote". Again "huh".

A good analogy for this checkoff would be charging a fee to family grocery stores in Bismarck for promoting food and turning the money over to Walmart.

I ask for your support on HB 1487.

Make this a true voluntary checkoff where producers pay in at their own discretion.

Who knows; maybe I will even pay in.

Thanks,

Questions?

Testimony for HB 1487

Mr. Chairman and House Agriculture Committee Members, thank you for taking the time to read my testimony. My name is August Heupel. I am from Medina North Dakota and I am testifying in favor of House Bill 1487.

As a producer, I strongly feel our State Beef Checkoff should be a completely voluntary program. At time of sale, the producer should be able to “opt in” to support the checkoff if they so choose, or “opt out” if they choose not to support the checkoff.

I am not a member of the National Cattlemen’s Beef Association for a multitude of reasons, the main reason, however is that they will not support Mandatory Country of Origin Labeling. I struggle with the fact that the consumer can look at a tag on a piece of clothing in a store and see where that particular piece of clothing was made. When a consumer goes to the beef counter in their local grocery store they cannot distinguish between a particular cut of beef on whether or not it was grown and harvested in the United States or if it was grown in a number of different countries we import beef from. I feel these is completely misleading to the consumer. They assume it is a homegrown product because it has a USDA sticker on it, when in reality it could be an imported product. I truly believe if a consumer had a choice on a truthfully labeled product they would be more inclined to pick up a TRUE product of the USA to feed their families.

From a producer standpoint on labeling I am 100% for Mandatory Country of Origin Labeling. I want my product distinguished in the market place as a product of the USA. We as North Dakota producers along with producers from the rest of the country produce the best and safest beef in the world, and I want the consumer to have a right to select our beef in the supermarket.

The North Dakota Beef Commission sends a large portion of our producer funded checkoff dollars right to the National Cattlemen’s Beef Association and I feel this is working directly against producers.

From personal experience with the refund process through the North Dakota Beef Commission I am not satisfied with the results. I sent in my bill of sale to the North Dakota Beef commission with only my name, date and number of head showing. It was sent back to me and I was told they needed to see the whole bill of sale in order to issue a refund. This is a total invasion of privacy. The North Dakota Beef Commission did not need to see what I was selling, (steers, heifers, etc), the weight

at which I was selling said animal/animals or the price I received. They only needed my name, the date (to make sure I am within 60 days from time of sale), and the head count. They need to see nothing more in order to issue a refund. I feel the rest of the bill of sale is my information and strictly my own. Not the North Dakota Beef Commissions information.

Again, I am in Favor of HB 1487, and I thank the Committee for reading my testimony.

August Heupel

Testimony on HB 1487
Opposing
Jacy Hauge

Good Morning Representative Johnson and committee members. I am Jacy Hauge, and I am an upcoming young producer from Carson, ND.

I oppose House Bill 1487, as a young individual in the beef industry. I believe in the importance of the beef checkoff. The two dollars per head is invested into the promotion, research, education, and gives consumers information about beef and our industry.

Let me ask you an honest question, without the beef checkoff who is going to pick up the slack of beef producers in promoting our product to consumers? This is my fear as a young individual in agriculture. If we do not invest in our own product how can we expect consumers to do the same?

The overarching reason for the beef checkoff is to promote beef to consumers. The main target audience of this action is the 35-year-old mom in the grocery store that is deciding if she should put beef in her family's diet. If we do not have an organization designated to promoting a unified message for our product who is going to inform that mom of all the benefits of beef. Weather that be one serving of beef provides 10 essential nutrients, or you would have to eat 20

ounces of chicken to get the same amount of zinc that is provided in 3 oz. or a single serving of beef.

Not every producer sees these actions, to be honest with you I follow North Dakota Beef Commission on social media platforms, and I do not see their stuff daily. I understand the algorithms of social platforms. You see they know I will still buy beef at the grocery store. I am not an individual that is targeted because I am considered a die-hard beef fan. I still believe in the investment I make as a producer, because there are many individuals targeted in our state that are on the other side and do not see that value of beef in their diet. That is what we are investing in.

Looking ten years down the road, I want a promising future in the beef industry. If we decide to stop investing in our own product, how can we continue to gain consumer trust. There are many things our industry that can be scary, but not having a solid/transparent relationship with our consumers terrifies me the most. I believe in the future of our states beef industry, but we must continue the investment into our product. I encourage you all to vote no on HB1487.

I hope you all have a great Friday, thank you for the opportunity to provide testimony today. Remember to smile, eat some beef today and God bless.

North Dakota Stockmen's Association
Testimony to the
House Agriculture Committee on HB 1487
Feb. 5, 2021

#5695

Good morning, Chairman Johnson and members of the House Agriculture Committee. For the record, my name is Jeff Schafer and I am the president of the North Dakota Stockmen's Association. The Stockmen's Association is a 91-year-old beef cattle trade organization representing approximately 3,000 North Dakota cattle-ranching families across the state.

I appear here this morning in opposition to HB 1487. While seemingly a simple change, the bill has the potential to severely hamper producers' beef promotion, research and education program. Independent research indicates overwhelming support for the beef checkoff – and for good reason. Its programs have helped grow domestic and foreign demand for our product and add value to the pocketbooks of producers like me.

The state beef checkoff, like all other state commodity checkoff programs, is producers' self-funded promotion program, directed by grassroots producers themselves. The \$1 per head collected at the time of sale is pooled together for investment in efforts we, as individuals, could not be successful at alone – whether it is helping shape the Dietary Guidelines to include beef, scientifically combatting commonly held myths about cattle's role in the environment or identifying new beef cuts that fit the palate and pocketbooks of many different consumers.

North Dakota's beef checkoff was designed to be consistent with all other commodity checkoffs here in North Dakota. Those programs, without exception, require the checkoff to be paid, but allow for a 100 percent refund for those who, for whatever reason – financial, philosophical or otherwise – want their money back.

Some of you will remember the great effort former Legislative Council attorney Anita Thomas embarked on over the course of many interims to rewrite the ag chapters of the Century Code to improve clarity and consistency. The commodity checkoff chapters were part of that effort, and legislators worked diligently to ensure there was uniformity and consistency across the programs. HB 1487 would undo that work, making the beef checkoff the only of more than a dozen checkoffs structured in this way.

While the percentage varies slightly from year to year, the state beef checkoff has an annual refund rate right around 10 percent. That means approximately 90 percent – an overwhelming majority – of beef producers elect to leave their investment to be used for the benefit of the industry. By changing the collection method, HB 1487 would actually increase burden on these folks – the majority of the state’s beef producers – who want to support the industry. At the same time, those who don’t pay in get a free ride – benefitting from the resources offered by their peers without offering anything themselves.

Certainly, HB 1487 could impact the dollars collected for the program. Even with the widespread support that the beef checkoff enjoys, well-intentioned beef producers may very well forget to initiate the payment if the responsibility is all on their own. The Beef Commission’s compliance reminders also help generate many additional dollars for education, research and promotion right now, but those would likewise cease, as they wouldn’t make sense under a “pay if you feel like it” system. Similarly, otherwise supportive producers may grow less enthusiastic about participating when they feel like they are picking up the tab for those they consider to be free-loading.

In these ways, HB 1487 could shrink the checkoff dollars collected and increase the need for additional state investment in product research, promotion and education, which is now leveraged with producers’ collective checkoff contributions.

The checkoff refund process was modernized with the establishment of the beef checkoff, making it easier than ever before to collect a refund and taking only a matter of days from start to finish to collect one.

I am sorry to hear if there are those who don't find value in promoting their industry. While I disagree with the assertions, they are absolutely entitled to their opinions and to get their money back under existing law and, still, are not excluded from the benefits from the contributions of others. As such, there is no need to mess up the time-honored program that is working well in North Dakota. They have nothing to lose the way it is now.

For these reasons, Mr. Chairman and House Agriculture Committee members, I ask you to oppose HB 1487. Thanks for the opportunity to appear before you today.

I would be happy to stand for any questions you may have.

NDBC 2020 Annual Report Financial Statement Description of Programs

International promotion: includes USMEF membership and a \$200,000 USMEF commitment to Japanese retail beef promotions in major chains, also includes travel to two USMEF board meetings by 2-3 directors and two directors participating in the Heartland Trade Mission to Japan hosted by USMEF.

Promotion: includes primarily paid advertising and a minimal amount of retail and foodservice programming when there is an opportunity. The advertising program annually includes television and radio advertising during NDSU Bison Football season, TV for the state championship ND High School sports tournaments, BEK TV advertising for local and regional high school sports. Digital advertising is also very powerful and is used across the state all year long and ND funding also was invested as part of a national effort to target consumers in four different campaigns across the country resulting in nearly 37 million consumers engagements for about a penny per engagement.

Industry Information: Reaching out with information about the beef checkoff is done through print stories, radio, annual report distribution, convention and organization sponsorships and partnerships, support of the NDSU Beef Quality Assurance program, and new video and website development.

Research: Research funding focuses on two priority areas – beef product quality and beef in human health. Twenty-five projects have been funded over the past 5 years. Fourteen have been funded at ND institutions, some with researchers out of state, and more recently through co-funding of nationally vetted beef research projects in the priority areas.

Consumer Information: this is split into 4 areas.

Health encompasses sponsorships, partnerships and programming for dietitians, nutrition influencers, family physicians, cardiac rehab providers, nutrition webinars, work with the ND Nutrition Council, ND Academy of Nutrition & Dietetics, University and student dietitians, special health and education program development through the NDSU Extension Food & Nutrition agents, and food safety programs.

Education covers working with Family & Consumer Science and Ag Education teachers, 4th grade students through Ag In The Classroom and Living Ag Classroom programs, 4-H, FFA, NDSU programs like “Eat Smart. Play Hard” and Moos, Ewes & More, and providing thousands of meat thermometers annually for use by teachers and Extension specialists teaching people about food safety and proper meat cookery.

PR & Media includes informational radio called Beef Insight, consumer events like Food & Wine holiday events, Banquets In A Field, NDSU Bison Football beef promotions, NDSU BBQ Bootcamp sponsorship, our annual Military Appreciation Picnic partnership with the ND Stockmen’s Association, the ND State Fair, and NDSU Carnivore Catering, and this past fall the new Healthcare Heroes event managed for the NDBC by the ND Stockmen’s Association. All other media outreach and social media is also included.

ND CattleWomen are a valued partner and carry out local beef promotion and education programs across the state. From school events to demonstrations and women and home show promotions for beef, the CattleWomen carry the beef message to local consumers and communities for the industry.

National Program Development: Contribution to help fund national programs developed by the Federation of State Beef Councils with input from NDBC national directors and staff that participate in committee meetings, board meetings, and various special committees. This state/national partnership allows a consistent beef message across the country as well as providing resources to the states to extend national programs at the state level.

NORTH DAKOTA BEEF COMMISSION

Annual Report

2020



Funded by Beef Farmers and Ranchers

Enhance Beef Demand By Strengthening Consumer Trust and Exceeding Consumer Expectations

Fellow Beef Producers,

What a year to discuss. This year, while a struggle, has seen the ND Beef Commission (NDBC) holding true to its mission of “Enhancing beef demand by strengthening consumer trust and exceeding consumer expectations.” We work hard every day to operate by this mission. This past year was unlike any other, and the NDBC adapted ways to operate.

Over the past year, consumer spending habits and choices were turned upside down. The closure or reduced capacity of retail dining led many consumers to in-home cooking and consumption of beef. This paradigm shift in consumer habits opened new doors to promotion and education. The Beef Checkoff was instrumental in empowering consumers to be not just a cook, but a home chef. Websites like ndbeef.org and beefitswhatsfordinner.com are influential in linking grocery store cuts with simple and quick recipes to let consumers understand the type of preparation and ingredients needed to prepare a mouthwatering beef-based meal. Consumers truly trust beef, and it showed through an increase in per capita beef consumption even with COVID-19 this year. Confidence in beef is at an all-time high.

While the pandemic didn't disrupt the daily operations on the ranch, the beef industry forged ahead full steam. The United We Steak promotional campaign was extremely effective. Consumers had the unique ability to meet those dedicated and essential people providing the premier protein for their plate. This also increased trust in their choice of beef.

Continuing to reach and connect with consumers has been a priority for the NDBC this year. An effective way to keep beef on the minds of consumers is through targeted social media promotion and digital advertising. The Beef Checkoff invested dollars aimed at consumers in highly-populated metro areas. We reached millions of consumers and delivered an “Eat Beef” message not only in North Dakota, but throughout the whole country. We teamed up with other state beef councils to effectively target a much larger population of consumers with a larger disconnect to the beef industry.

In addition, beef exports continue to increase as demand for high-quality beef is revered by the world's rapidly-growing, more affluent middle class. The NDBC is committed to promoting U.S. beef around the world. We continue to support the efforts of the U.S. Meat Export Federation and expect more growth in this vital area in 2021.

Educating the next generation is also a top priority of the NDBC. A new program being worked on called **Build Your Base** holds promise in helping student athletes fuel up and improve performance through good nutrition centered around beef. **Build Your Base** will be a game changer in educating the youth about the importance of beef in their diet. The future looks bright!



Weston Dvorak

NDBC Chair

Human Nutrition Research Making an Impact

Human nutrition research is a priority for the NDBC, which has funded several critical nutrition studies adding valuable information about beef's role in healthy diets to scientific literature. The federal government's *2020-2025 Dietary Guidelines for Americans (DGAs)* are a cornerstone for federal food, nutrition and health policies and serve as the basis for nutrition and health experts' recommendations. Keeping beef in the *DGAs* is critical to every beef producer and a priority for the NDBC.

Meat's relationship to human health was part of the process as the *2020-2025 DGAs* were developed, as the role of protein in the diet was an area of concern. The long-term investment into beef research, funded by North Dakota beef producer checkoff dollars, came into play. Published research by ND State University protein researcher Dr. Sherry Stastny and her team led *DGA* committee members to better understand that increasing the ratio of animal-based protein (beef) relative to plant-based protein in the diet may help to mitigate age-related losses of muscle mass and strength, as well as the essential role protein plays in preserving function in older Americans.



Dr. Stastny

The NDBC has also supported research by Dr. Tom Brenna, professor at Dell Medical School in Austin, TX, who served on the 2015 Dietary Guidelines Advisory Committee. Dr. Brenna researched understanding beef as a unique source of healthy branched fats, which are a saturated fat that are part of the healthy newborn gastrointestinal tract. While this research is too novel to be used in the *DGAs*, it is a building block to better understanding saturated fats. Dr. Brenna and other nutrient scientists have advocated for the dietary guidelines to lift limits on saturated fat.

Five additional human nutrition research studies are currently underway, supported by NDBC checkoff funds, covering topics including muscle and heart health, inflammation, Type 2 diabetes remission, and beef's role in gut health.

USMEF Partnership Brings North Dakota Beef to the World

The NDBC's partnership with the U.S. Meat Export Federation (USMEF) helps bring high-quality beef to the other 96 percent of the world's population. With market development activities in more than 80 countries, the USMEF creates demand for beef through marketing, trade servicing and market access programs. The USMEF is funded through state and national beef checkoff dollars, pork, lamb, and grain checkoff support, associated industries, and federal funds.

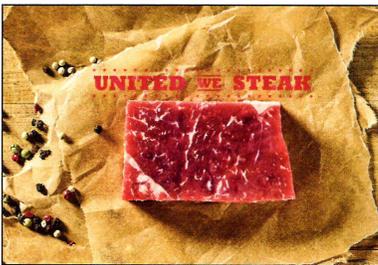


Japan remains the leading volume and value market for U.S. beef and is a critical destination for both muscle cuts and variety meats, especially U.S. beef tongues. This is one of the reasons the NDBC has partnered with USMEF the last four years, investing additional funds in the Japanese market. More than \$1 billion dollars' worth of additional beef product exports adds value to the carcass and helps bring more dollars to U.S. cattle producers. The export market annually adds around \$8 billion dollars to the U.S. beef business and accounts for more than \$300 per head of fed cattle.

United We Steak

Getting beef on the grill over the summer was the goal of a new multi-pronged state/national partnership beginning in late May through Labor Day. The United We Steak campaign encouraged Americans to unite around a shared love of beef on the grill. The campaign's centerpiece was 50 hand-carved state-shaped steaks, featured in a variety of *Beef. It's What's For Dinner.* content.

The campaign drove users to BeefItsWhatsForDinner.com or UnitedWeSteak.com, where each state had a state profile page, complete with state-themed beef recipes, a "meet your state beef producer" section and other fun and informative facts. The campaign was further promoted through radio ads, online influencers and earned media stories.



Beef has long been the number one grilling protein of choice among consumers. Today, 96 percent of consumers eat beef, and more than 70 percent of consumers consume beef at least once a week or more.



Digital Advertising Reaches ND Consumers

In July 2020, the NDBC began the second year of its digital (online) advertising campaign targeting state consumers through YouTube and Google Search. The target audience of older millennial parents aligns with the national *Beef. It's What's for Dinner.* target audience. The campaign focused on increasing the perception of beef through recipe inspiration, confidence in cooking beef and increasing consumer trust in those who raise beef by driving consumers to ndbeef.org and BeefItsWhatsForDinner.com.

Since the start of digital advertising, the campaign has generated more than 2.1 million video views and clicks through Google Search and YouTube. The 2019 and 2020 campaigns reached consumers in every county in North Dakota with nearly 4.5 million impressions.

NDBC Supports National Digital Advertising

Unlike North Dakota, in many states, people outnumber cattle several times over. Consequently, those state beef councils don't have the budgets to effectively reach all their consumers. To enhance digital marketing in several U.S. population centers during the 2020 summer grilling season, "beef surplus" states like North Dakota joined forces with beef councils in these high population states marketing beef through Google Search and YouTube. This resulted in 36,984,364 engagements with consumers who clicked on a beef ad or viewed a beef video. And all of this at the cost of about a penny per engagement.



Meet Your Commissioners, National Representatives and Staff



Weston Dvorak
Chair
Cattle Feeder, Manning



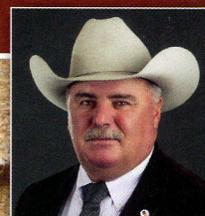
Gloria Payne
Vice Chair
Beef Producer At-Large
Elgin



Travis Maddock
Secretary/Treasurer
Beef Producer, Davenport



Sharon Kickert-Gerbig
Beef Producer At-Large
Amidon



Fred Helbling
Beef Producer
Mandan



Lilah Krebs
Dairy Producer
Gladstone

Consumer Outreach

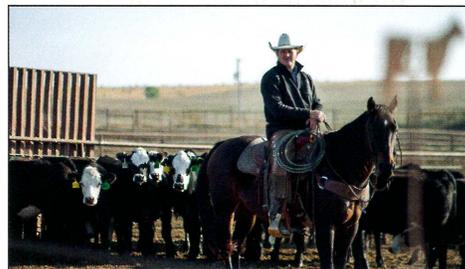
The NDBC works throughout the year to promote the state's beef industry to consumers and industry partners through online efforts, feature videos and events.

Producer Features

Two producer features were completed for the *ndbeef.org* website to highlight cattle men and women. Each producer discussed their role in the beef chain and how they care for the animals and the environment, as well as shared their favorite beef cut or recipe. Producer features will be completed on all NDBC board members in the future.

Beef Industry Videos

The NDBC produced two videos highlighting the beef industry in North Dakota. The first video provides an overview of feedlots, featuring Alan Heim of Heim Cattle Company, and can be viewed at *ndbeef.org*. The second video, titled "What We Love," is a three-minute feature of the Heim Family exploring why the family works in the beef industry and the future of agriculture and farming. These videos connect the producer to the consumer by providing education on beef production and the care producers take to raise healthy cattle and provide high-quality protein – beef!



Health Care Heroes Event Recognizes Frontline Workers

Health Care Heroes Appreciation Day was held Sept. 11, in partnership with the ND Stockmen's Association, to thank health care workers on the frontlines of the COVID-19 pandemic. North Dakota beef producers showed their gratitude in the best way they know how – serving beef, a safe, wholesome, nutritious product they are proud to produce. With over 750 pounds of beef prepared, the NDBC and ND Stockmen's Association served approximately 1,100 beef meals to these deserving health care workers in what might have been the state's largest "drive-up" food event held during the pandemic.



Living Ag Classroom

The NDBC reached more than 4,000 fourth grade students at three Living Ag Classroom events held in Fargo, Bismarck and Minot. The Living Ag Classroom is designed to teach students about the diversity of North Dakota's agriculture industry, and

the key role it plays in bringing food from the farm to the dinner table. To date, this message has been shared with more than 109,000 fourth graders across the state.

NORTH DAKOTA BEEF COMMISSION

Combined statement of revenues, expenditures and changes in fund balances
JULY 1, 2019 – JUNE 30, 2020

Revenue:

Checkoff Assessments	\$2,275,536
Less Remittance to States of Origin.....	\$17,443
Less Remittance to Cattlemen's Beef Board	(\$563,238)
Less Refunds	(\$136,075)
Net Assessment Revenues	\$1,558,780

Other revenue- interest & receipts.....	\$19,154
Other revenue- Beef Gift Certificate sales	\$0
Total Revenues	\$1,577,934

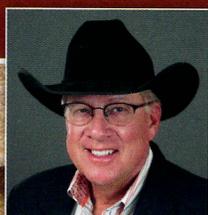
Expenditures:

International promotion.....	\$245,930
Promotion	\$283,376
Domestic/International Special Projects.....	\$0
Industry Information	\$84,572
Research	\$423,287
Consumer Information	\$165,641
National program development	\$281,663
Beef gift certificates	\$0
Administration/Operations.....	\$400,335
Total Expenditures.....	\$1,884,804

Revenues over (under) expenses	(\$306,870)
Fund Balance, July 1, 2019	\$1,793,872
Fund Balance, June 30, 2020	\$1,487,002



Matt Lachenmeier
Livestock Markets
Mandan



Mark Voll
Beef Producer At-Large
Sidney, Mont.



Jason Zahn
Beef Producer
Towner



Clark Price
Ex officio
Cattle Feeder, Hensler



Jerry Effertz
Ex officio
Beef Producer, Velva

FEDERATION OF STATE BEEF COUNCILS NATIONAL DIRECTORS
Weston Dvorak, Travis Maddock
(Executive Committee),
Gloria Payne, Fred Helbling,
Mark Voll

FEDERATION OF STATE BEEF COUNCILS NOMINATING COMMITTEE
Jerry Effertz

BEEF PROMOTION OPERATING COMMITTEE
Clark Price

Nutrition Influencer Partnerships Critical

Long-term partnerships with nutrition influencers have been critical to getting a positive beef nutrition message to the public in North Dakota. Whether it is dietitians, nutrition educators, doctors, school food service directors, extension food specialists, public health professionals, or others, these partnerships are based on trust and beef nutrition facts grounded in strong science.



Barbe

ND Academy of Nutrition & Dietetics and **ND Nutrition Council** members enjoyed learning how to polish up their culinary techniques at their state conferences. The NDBC sponsored speaker, Judy Barbe, RD, a nutrition book author and newspaper columnist, went to work teaching them how to maximize flavor and increase the “deliciousness” of foods, including beef.

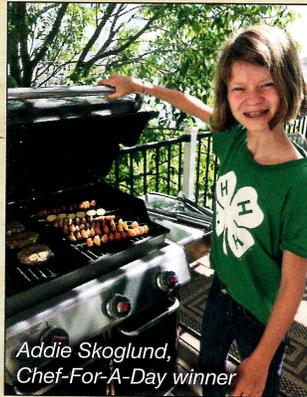
Fargo Moorhead Academy of Nutrition & Dietetics members received an in-depth lesson on “Everything Beef” when NDBC Executive Director Nancy Jo Bateman guided them through cooking their own low-fat/low-salt beef breakfast burrito, beef grades, types and brands of beef, selecting cuts of beef, and calibrating a meat thermometer.



Bateman

Youth Education

Programs in and out of school provide valuable opportunities to teach students about beef. The challenges the COVID-19 pandemic presented to teachers, parents, youth organizations, colleges, and others meant beef education programs had to become much more flexible. As a result, printed materials for classes went online, video became an important teaching tool, Zoom presentations became standard, and even learning to grill went “virtual” with the 4-H “Chef-For-A-Day Grill Off.” Congratulations to our partners including NDSU Extension, 4-H, FFA chapters, family and consumer science and ag education teachers for being so creative and still teaching about beef.



Addie Skoglund,
Chef-For-A-Day winner



Power in Partnership – Federation of State Beef Councils

The NDBC has been part of the Federation of State Beef Councils since its start in 1973. By pooling resources, expertise and targeted promotion, research and consumer efforts, the Federation has helped make a unified national beef message possible across the country. Producers representing state beef councils, like the NDBC, are at the reins and set the course for promotion, research and education programs.

North Dakota is fortunate to provide leadership to the Federation. The NDBC has five national directors on the Federation board. Currently, Travis Maddock has also been selected as the Region 7 (ND, SD, NE, KS) Federation of State Beef Councils vice president and a member of the National Cattleman’s Beef Association Executive Committee. Clark Price, NDBC past chair and ex-officio member, also was elected for his third term as one of the ten state beef council members on the national Beef Promotion Operating Committee. These ten members, along with ten members of the Cattlemen’s Beef Board, determine the national programs that receive national checkoff funding each year. Jerry Effertz, NDBC past chair, Federation chair and Beef Promotion Operating Committee member, also is representing Region 7 as a member of the Federation nominating committee.



Maddock



Price



Effertz



Nancy Jo Bateman
Executive Director



Joan Hoovestol
Collection and
Compliance Director



Robin Berger
Office Manager



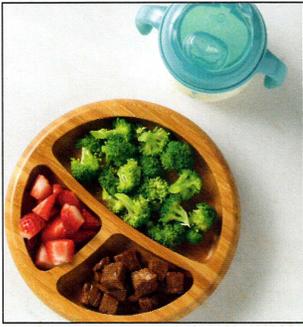
Nicole Wardner
Consumer Marketing &
Industry Relations Specialist

North Dakota Beef Commission

4023 State Street • Bismarck, ND 58503
Phone: (701) 328-5120 • www.NDBeef.org



Funded by Beef Farmers and Ranchers



Dietary Guidelines

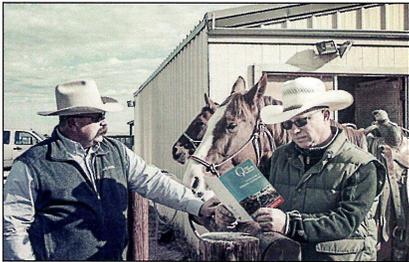
The Beef Checkoff-funded human nutrition team has been engaged throughout the Dietary Guidelines process. In 2019 and 2020 NCBA, as a Beef Checkoff contractor, submitted 21 sets of public comments and more than 100 research studies in support of beef's role in a healthy diet to the Dietary Guidelines Advisory Committee.

DGAs are important because they provide Americans with a roadmap for healthy eating and are the foundation for federal nutrition programs along with school, military, hospital and nursing home menus. They are also the basis for many expert nutrition recommendations.

The 2020 DGAC report included meat in a healthy dietary pattern, highlighting beef's nutrients in the first years of life, but they continued to exclude other high-quality evidence demonstrating beef's role in a healthy diet. The Beef Checkoff's role in providing relevant and science-based research to the process continues to be important.

BQA Continues Success

The Beef Quality Assurance program continues to grow, with more than 100,000 cattle producers now certified through its online learning system. Since the program was initiated in the



early 1990s hundreds of thousands have become BQA-certified through in-person and online training, with an estimated 85 percent of the U.S. fed beef supply now touched by BQA-certified operations.

The BQA program is also now recognized as an industry-leading animal welfare program. The USDA has reviewed and certified that the BQA program complies with the International Organization for Standardization (ISO) Animal Welfare Management/General Requirements and Guidance for Organizations in the Food Supply Chain. This recognition will mean the BQA program is listed on USDA's Quality Assessment Division website as being compliant with the ISO specification.

A World View

There is sustained demand for U.S. beef in other countries, thanks in part to efforts of the U.S. Meat Export Federation, a Beef Checkoff subcontractor. From January through May of 2020, most Asian economies experienced significant economic slowdowns. But in countries like South Korea, consumers are still buying red meat, with a 10 percent sales growth at discount retail stores in that country during that period. U.S. beef sales in South Korea recorded an 18 percent sales increase, on average.

Responding in a Crisis

These COVID-19 times have caused significant hardships for beef farmers and ranchers. These include challenges to the industry's Beef Checkoff-funded promotion, research and

education programs. To address the quickly emerging issues and help maintain energy and continuity, checkoff programs used consumer and market research to adjust to meet changing consumer, influencer, supply chain and media needs.



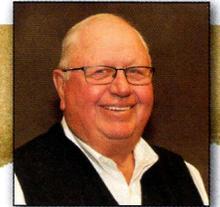
The efforts have been well-directed. As the supply chain started to recover, a checkoff-funded research tracker, managed by NCBA as a Beef Checkoff contractor, showed consumers remained largely positive toward beef. When asked if the current U.S. and global environment has changed their overall perception of beef, nearly 90 percent of consumers said their attitudes have not changed or have gotten even more positive. In fact, the percentage who said they are more positive steadily increased from a low of 12 percent in early April to 26 percent in early May.

NCBA continued to monitor the issue and adjust programming to meet the needs of consumers, stakeholders and state beef council partners throughout the COVID-19 pandemic.

Cattlemen's Beef Board Directors



Mary Graner,
Huff



Ray Erbele
Streeter

Cattlemen's Beef Board Fiscal Year 2020 Expenditures

Promotion	\$10,206,858
Research	\$8,349,734
Consumer Information.....	\$7,260,148
Industry Information.....	\$3,392,835
Foreign Marketing	\$6,933,262
Producer Communications.....	\$1,553,796
Program Evaluation	\$202,046
Program Development	\$388,847
USDA Oversight *	\$761,214
Administration	\$1,505,256
TOTAL EXPENSES	\$40,553,996

* Included in the USDA Oversight amount is approximately \$600,000 paid by the Cattlemen's Beef Board to USDA for oversight fees during the year. The remaining \$161,000 is related to cost incurred by Cattlemen's Beef Board for litigation, meetings with USDA, freedom of information act requests, settlement requests, and authorization requests.

Audited Numbers



4023 State Street
Bismarck, ND 58503
701-328-5120 • www.ndbeef.org

Dear Fellow Producers,

When state beef councils in 1963 pushed for a national beef promotion effort through what was then the Beef Industry Council, they created the Federation of State Beef Councils. Since then, the Federation and states have enjoyed a synergistic state/national partnership that combines the strengths of national expertise, unity and coordination with state agility, on-the-ground energy and grassroots producer support.

It follows a common theme. When a mandatory national beef checkoff started being discussed in the 1970s and 80s, survey after survey delivered the same producer request: We want a national program that works, but we want state beef councils to retain their independence. After all, some councils had been in operation since the 1950s. I believe our system achieves that aim and continues to build on a strong foundation laid by those forward-thinking volunteers and staff who served before us.

Today, more than 700 producers sit on state beef councils around the country and make decisions for work by their states. States send more than 100 representatives to serve as Federation directors at the national level. This unified effort is one of the reasons yearly producer attitude surveys show continued strong support for the Beef Checkoff. Some of the national and international programs those producers help direct are described in this report.

The United We Steak grilling promotion campaign is another example of state and national cooperation. The campaign allowed states to benefit from national expertise and organization while showcasing an effort that was decidedly state-friendly. This cooperative effort, funded through the Beef Promotion Operating Committee, further demonstrates the value of a strong partnership between state beef councils and the national Beef Checkoff.

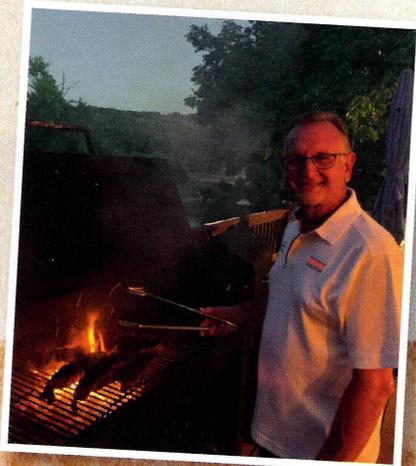
Our approach shows that together, there's little we can't accomplish to increase demand for beef.

Yours truly,



Buck Wehrbein
Mead, Nebraska

Chairman, Federation
of State Beef Councils



United We Steak

Summer wouldn't be summer without steaks on the grill. The Beef. It's What's For Dinner. brand took advantage of that in 2020 with an aggressive United We Steak grilling campaign.

Funded by the Beef Checkoff and managed by NCBA, a Beef Checkoff contractor, the effort encouraged families to unite in their love of beef. The centerpiece of the campaign was 50 hand-carved state-shaped steaks featured in a variety of *Beef. It's What's For Dinner.* content. Still photographs and a new series of videos were served to consumers on social media platforms as well as through Connected TV and YouTube advertising.

Consumers were reminded that the grilling season was brought to them by beef farmers and ranchers, who work day-and-night to ensure that Americans have access to great beef. A video was released on social media to showcase that beef farmers and ranchers are helping keep beef on grills.

The campaign drove users to BeefItsWhatsForDinner.com or UnitedWeSteak.com, where they found an interactive map with all 50 state-shaped steaks forming the nation. Each state's profile page had state-themed beef recipes, a "meet your state beef producer" section and fun and informative state facts.

No Substitute for Beef

While plant-based meat substitutes remain a media darling in some circles, in 2020 the Beef Checkoff made sure beef maintains its position as the consumer protein of choice.

Last year the *Beef. It's What's For Dinner.* brand conducted an online search campaign that served up a *Beef. It's What's For Dinner.* ad to consumers who Googled new plant-based burger options and linked them to [Beef. It's What's For Dinner.com](http://Beef.ItsWhatsForDinner.com) to give them mouthwatering real beef recipes.

It also conducted a webinar for supply chain professions from the retail, foodservice, manufacturing, distributing and packing industries featuring updates on the regulatory and labeling landscape for meat substitutes, insights on consumer research and facts about beef's nutrition and environmental sustainability.

A fact sheet and infographic were distributed to key audiences showing how ground beef and meat substitutes stack up when it comes to nutrition profile and ingredients. The *Beef. It's What's For Dinner.* brand continues to be active in protecting beef's number one protein position in both traditional and social media.



Funded by Beef Farmers and Ranchers

EDUCATING WITH
PURPOSE

*In order to drive demand for beef, the Beef Checkoff invests in these program areas: promotion, research, foreign marketing, industry information, consumer information and producer communications. Each of these programs is unique in its own right, but there's one major component found in each: **education.***



Many producers believe that educating the consumer and general public about beef should be the Checkoff's first priority. And while, yes, the Checkoff works tirelessly to educate the public on hot topics like beef's environmental

impact, beef's nutritional attributes and how cattle are raised, the Checkoff actually dives deeper, looking beyond the typical American consumer to educate the scientific community, health professionals, educators, communities

abroad and cattle producers on relevant topics. Here are just a few examples of how the Beef Checkoff educates and influences each of these audiences with a purpose.

STORY CONTINUED ON NEXT PAGE ►

CONSUMERS

Through a multi-pronged approach, the Beef Checkoff engages and informs consumers on beef – and the cattlemen and women behind beef production.

TARGETING NORTHEAST CONSUMERS

The Northeastern U.S. is home to nearly 72 million consumers, which equates to approximately 22 percent of the U.S. population and encompasses four of the top 10 U.S. metropolitan areas: New York City, Boston, Philadelphia and Washington D.C. The Northeast Beef Promotion Initiative, a subcontractor to the Beef Checkoff, engages with consumers through virtual, in-person and digital advertising campaigns.

“TELLING YOUR ANTIBIOTIC STORY” CAMPAIGN

This video series from the National Livestock Producers Association, a contractor to the Beef Checkoff, and the Kentucky Beef Council, outlines how producers understand the need for careful antibiotic stewardship and work hard to use antibiotics responsibly.

“NICELY DONE, BEEF” CAMPAIGN

This consumer campaign includes advertisements geared towards social media and online streaming users. It addresses beef misconceptions, highlights beef’s unique attributes and shows sustainability in the beef industry.

“CHEFS AND PRODUCERS” VIDEO SERIES

To showcase the Beef Quality Assurance program, beef farmers and ranchers are coming together with chefs for a unique video series developed in partnership with Chef’s Roll, a global culinary community.

“REAL FACTS ABOUT REAL BEEF” CAMPAIGN

To address beef production and nutrition myths, this video series highlights real farmers and ranchers and other beef experts candidly addressing some of the most common misconceptions and questions about cattle and beef.

“RETHINK THE RANCH” CAMPAIGN

Videos and sponsored online articles focused on the people who produce beef help tell the story of what it takes to get beef from pasture to plate.

VEALFARM.COM

Through Checkoff-funded VealFarm.com, consumers learn about veal farming today and veal farmers’ commitment to ensuring their calves’ health and well-being while being good environmental stewards.

SCIENTIFIC COMMUNITY & HEALTH PROFESSIONALS

The Beef Checkoff continues to examine beef’s role in a healthy diet and has countless ongoing research studies and partnerships with health influencers to educate them about beef.

BEEF AND MENTAL HEALTH

Checkoff-supported research demonstrates that meat consumption is positively associated with better mental health. “Meat and mental health: a systematic review of meat abstinence and depression, anxiety, and related phenomena” has been downloaded more than 50,000 times, making it one of the top ten most-downloaded articles published by Taylor & Francis in 2020.

2020 VIRTUAL FOOD AND NUTRITION CONFERENCE AND EXPO

More than 10,000 registered dietitian nutritionists, nutrition science researchers, healthcare providers and industry leaders attended this event. The Checkoff supported an educational session that highlighted Beef Checkoff-funded research and emphasized the role high-quality proteins like beef have in optimizing all aspects of human strength.

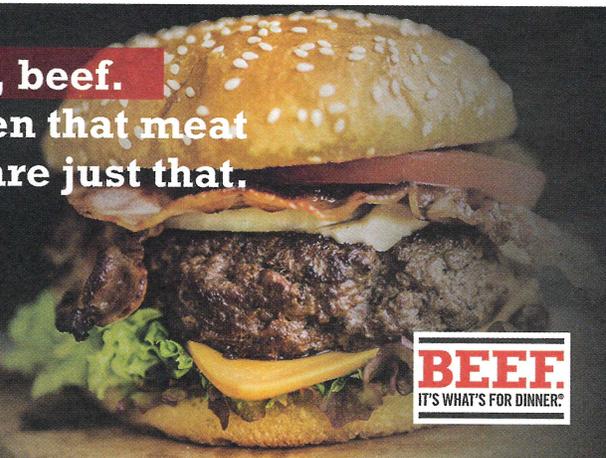
“EATING IN THE EARLY YEARS” EVENT

This week-long educational experience for pediatric-focused health professionals increased awareness of beef and recommended it as a nutrient-rich, early food for infants, toddlers and children.

SCAN AND CPSDA COLLABORATION

Member dietitians with Sports, Cardiovascular and Wellness Nutrition (SCAN) – the largest dietetic practice group of the Academy of Nutrition and Dietetics – and the Collegiate and Professional Sports Dietitians Association received email blasts including strength resources from *Beef. It’s What’s For Dinner.*

Nicely done, beef.
You’ve proven that meat substitutes are just that. Substitutes.



Funded by Beef Farmers and Ranchers



NUTRITION & DIETETICS BEEF COOK-ALONG WEBINAR

The Checkoff partnered with Liz Weiss, MS, RDN, to host an interactive, beef cook-along style webinar for approximately 30 members of the Connecticut Academy of Nutrition & Dietetics.

PREPARED BEEF NUTRITION RESEARCH

The Foundation for Meat and Poultry Research, a contractor to the Beef Checkoff, established a risk-benefit analysis of the consumption of further processed beef as a healthy lifestyle component and communicated its findings to food and nutrition researchers.

DIETARY GUIDELINES INVOLVEMENT

The Dietary Guidelines for Americans provide a roadmap for healthy eating and serve as the foundation for health experts' recommendations to patients and clients. The Checkoff submitted 21 sets of public comments and more than 100 research studies supporting beef's role in a healthy diet.

PRODUCER STAKEHOLDERS

The Beef Checkoff provides opportunities for producer education and advancement.

BEEF QUALITY ASSURANCE

BQA is a certification program for producers to learn how to raise cattle under optimum management and environmental conditions. By protecting herd health and incorporating safe and effective management practices, BQA-certified producers provide consumers with high-quality beef they can trust to feed their families.

VEAL QUALITY ASSURANCE

VQA is a certification program for producers to ensure that veal calves receive quality care through every stage of life and are raised using production standards that result in a safe, wholesome, high-quality product that meets regulatory and customer expectations.

MASTERS OF BEEF ADVOCACY

The MBA program is a free, self-guided online course that provides farmers, ranchers, service providers, consumers and all beef community members with the tools and resources they need to become beef advocates and answer tough questions about beef and raising cattle.

ANNUAL ANTIBIOTIC SYMPOSIUM

Producers are encouraged to attend this yearly symposium, funded in part by the Beef Checkoff. At the symposium, they receive updates on global issues affecting U.S. animal and human health and engage in conversations about how to better share information about antibiotic stewardship and antimicrobial resistance with a variety of audiences in and outside of agriculture.

PRODUCER COMMUNICATIONS PROGRAM

Producers learn about the Beef Checkoff and how Checkoff investments are being put to work to promote beef demand through *The Drive* publishing platform, which consists of traditional, digital and social media platforms, web presence, media relations and campaigns. ■

EDUCATORS

To grow a scientifically literate society, the Beef Checkoff implements strategies and tactics to get beef in the classroom.

BEEF E-LEARNING COURSES FOR EDUCATORS

Two livestream events engaged by more than 1,000 middle and high school educators discussed how the beef production process provides an excellent context for exploring science.

ON THE FARM IMMERSION EXPERIENCES

Educators experience beef production firsthand through virtual video tours and learn from U.S. beef producers, researchers, nutritionists and veterinarians about production practices.

BEEF AND VEAL IN THE CULINARY CLASSROOM PROGRAM

This program provides financial support for the use of fresh beef or veal in Northeastern U.S. schools. This program assists culinary programs with students' knowledge of beef cutting, cooking, nutrition and safety.

STATE BEEF COUNCIL PROGRAMS

Many State Beef Councils have individual programs to get beef in schools within their state. These programs provide numerous beef resources, from classroom materials to facilitate instruction in beef production courses to virtual learning opportunities for teachers or grant programs to get fresh beef in home education courses. For example, in 2020 the New York Beef Council offered a "Top Cuts" beef contest and a series of webinars, including a virtual farm tour and sessions on beef industry careers, marketing and recipe development opportunities for all teachers.

SEMINARS/TRAININGS/ CUTTING DEMONSTRATIONS

Education at all levels of the supply chain, from importers/distributors to retail meat department staff, is a key cornerstone of market development. Seminars may include hands-on cutting demonstrations, cooking demonstrations, menu development training, sales force seminars and webinars.

TRADE TEAMS

Hosting international trade teams here in the U.S. with importers/distributors, decision-makers, targeted foodservice and retail companies and media influencers gives participants a thorough and interactive overview of the U.S. beef industry. These teams learn about U.S. beef production techniques, the range of beef products available, safety and inspection procedures and foodservice/retail trends.

ABROAD

U.S. Meat Export Federation, a contractor to the Beef Checkoff, focuses on promoting alternative cuts and variety meat products where culturally appropriate. By educating influential people in other countries about U.S. beef products' unique attributes, the Beef Checkoff influences international buyers to choose U.S. beef.

COOKING DEMOS

Whether in person or virtually through social media or online events, USMEF utilizes chefs and influencers to demonstrate U.S. beef cuts' quality and advantages.

*The Beef Checkoff has the research.
There's no reason for me to dig around on
Google when I can go to a Checkoff-funded
website to get the scientifically proven
information and facts that I need.*

BRANDI BUZZARD FROBOSE

Blogger, cattle rancher and agriculture advocate.

New Veal Promotions Underway

The New York Beef Council (NYBC) has joined the North American Meat Institute (NAMI) as a subcontracting organization to the Beef Checkoff. NAMI and NYBC will implement new programs and strategies to increase veal demand.

STRAIGHT- TALK

A Producer's Information Source

The Beef Checkoff's Producer

*Communications program explains how
Checkoff dollars are allocated, shares
investment results, highlights program
successes and builds an understanding
of Checkoff roles, responsibilities
and processes. One aspect of this
program is the producer-facing website,
DrivingDemandForBeef.com.*

*Whether you have a question about Checkoff processes,
need beef facts for your social media posts, or just
want to stay informed on your Checkoff dollars at work,
here are just a few things you can expect to find on
DrivingDemandForBeef.com:*

- **Frequently Asked Beef Checkoff Questions.** Find clear and straightforward answers to some of the Checkoff's most-asked questions.
- **Get to Know Your Cattlemen's Beef Board Members.** Learn more about the CBB members in your state, their particular industry segments and the Checkoff committees on which they serve. Have more questions? You can reach out to them directly.
- **Resources.** Fiscal budgets, annual reports, producer attitude surveys, Beef Industry Long Range Plans and links to Checkoff-funded websites can be found on the Resources page.
- **The Drive.** Articles, like you're reading in this printed version of *The Drive*, are all featured and updated monthly on DrivingDemandForBeef.com, too.
- **Contractors and Authorization Requests (ARs).** Get to know the nonprofit beef organizations that execute programs and projects on behalf of the Beef Checkoff and the work approved in their annual project briefs called ARs.

*DrivingDemandForBeef.com gives cattlemen and women access to available resources,
facts and statistics about how their Checkoff dollars are being used to promote beef.*

1986 - 2021

THE BEEF CHECKOFF

THROUGHOUT THE YEARS

If the Beef Checkoff never came to fruition, how would the beef industry be different today? What would the effects be on producers' operations?

For 35 years, the Beef Checkoff has supported the beef industry. Since its start in 1986, the Checkoff has significantly and positively altered the beef industry's course, providing much-needed funding for promotion and research while also serving as a unifying force to consumers regarding all things beef.

The Beef Checkoff has brought producers, industry organizations and stakeholders together with a common purpose – driving demand for beef.

SEE THE BEEF CHECKOFF VICTORIES, YEAR-BY-YEAR ►

DRIVING STRONG
DEMAND

35
BEEF
YEARS
EST. 1986
BEEF CHECKOFF

DRIVING STRONG
DEMAND

35
BEEF
YEARS
EST. 1986
BEEF CHECKOFF

*Here are examples
of Beef Checkoff
wins and successes
throughout the years
that helped secure
beef's position as the
protein of choice.*

1986
THE BEEF CHECKOFF
WAS ESTABLISHED
AS PART OF THE
1985 FARM BILL

*The Beef Checkoff
launched its first
advertising campaign,
"Beef: Real Food for Real
People." featuring celebrity
talent Cybill Shepherd and
Burt Reynolds.*

1993
*Consumer research showed
that 80 percent of consumers
were aware of the new Beef.
It's What's For Dinner.
campaign, featuring Robert
Mitchum's voice.*

*Several Checkoff-funded research projects
identified pathogens like E. coli throughout
the cattle and beef production system and
developed control mechanisms.*

*Following a foreign buyers conference
in California, a Chinese representative
purchased 41,000 lbs of U.S. beef, marking
the first sale ever to China.*

*A Checkoff-funded microbial-mapping
study identified the Critical Entry Points
(CEP) for pathogens at packing plants;
high-temperature vacuuming removed
unwanted contaminants from carcasses,
a procedure that would become standard
in the entire packing industry for
removing unwanted contamination
from carcasses and save the industry
an estimated \$200 million in
hand-trimming costs.*

*Featuring the recognizable
"Rodeo" music and actor
Sam Elliot's voiceover,
network television
ads highlighted the
convenience of new,
heat-and-serve, prepared
beef items, increasing
sales by 131 percent.*

**The ground-breaking Muscle
Profiling Research reinvented
and added value to portions
of the beef carcass, the chuck
and round, that previously
were underutilized and
undervalued, thus enhancing
overall carcass value.**

*The Checkoff continued the Carcass
Merit Project to validate genetic
markers for economically important
carcass and customer satisfaction
traits, such as marbling, tenderness
and composition.*

**The Beef Cutout Calculator is
introduced as an interactive
web-based tool that provides
an in-depth view of carcass
composition and value. The
Masters of Beef Advocacy (MBA)
program also began.**

*The Beef in an Optimal Lean Diet study provided
evidence that the inclusion of lean beef as
part of a heart-healthy diet is as effective in
lowering heart disease risk as the DASH (Dietary
Approaches to Stop Hypertension) diet – the most
recommended heart-healthy diet of the time.*

**To reach millennials, the
Checkoff partnered with
AllRecipes.com to promote
21 Checkoff-funded recipes,
beef nutritional information
and tips on using beef in
weeknight meals.**

*The Beef Checkoff commissioned
market research for a
comprehensive study on how
millennials define quality and what
they are looking for in beef when
dining out, indicating attributes
such as taste and tenderness are
their indicators of quality.*

**The Checkoff partnered with
Amazon to refresh the Beef
Category page on the Amazon
Fresh Prime platform, increasing
beef units sold by 16 percent.**

*The American Heart Association
certified more than 20 Beef. It's What's
For Dinner. recipes as heart healthy.*

*Beefshi, a sushi-style treat with beef
instead of fish, made its debut.*

Beef prices were above their forecasted levels during the three years after the Checkoff began, due in part to successful Checkoff promotion campaigns. Ronald Ward, Ph.D., conducted this research with the University of Florida.

CHECKOFF-FUNDED RESEARCH & PRODUCT DEVELOPMENT INTRODUCED A NEW, LOW-FAT GROUND BEEF.

McDonald's rolled out its "McLean Deluxe" burger using the new, low-fat ground beef.

The "Big Four" research studies improved beef's safe shelf life by reducing carcass bacteria and improving carcass quality through a national genetic evaluation program. Also, the Beef. It's What's For Dinner. campaign kicked off.

SYSCO Corporation, the largest food distribution company in the U.S., rolled out 26 new beef and veal products developed by the Beef Checkoff.

The National Beef Cook-Off was the single most widely publicized beef recipe contest ever conducted, reaching a combined media circulation of more than 245 million people.

New chuck and round cuts found their way into meat cases nationwide after being revolutionized by the Beef Checkoff.

A study by Colorado State University stated 99.99 percent of potentially harmful bacteria is removed or destroyed when Checkoff-developed technology is used while harvesting beef.

CHECKOFF-DEVELOPED FLAT IRON STEAK AND PETITE TENDER CUTS OUTSELL THE T-BONE AND PORTERHOUSE STEAKS IN FOODSERVICE.

Checkoff-funded market research completed the first Beef Consumer Index to identify and communicate with the consumers who have the highest potential to increase beef demand.

Capitalizing on its foundational Muscle Profiling research, the Checkoff introduced five new cuts from the chuck roll – the Delmonico Steak, Denver Cut, America's Beef Roast, Boneless Country-Style Beef Chuck Ribs and the Sierra Cut.

The Ibotta app encouraged consumers to learn beef-freezing and nutrition facts and watch Checkoff videos for the "Easy Lean Beef Burger" and "DIY Tacos" to earn a rebate on purchases of fresh top sirloin or ground beef.

CHECKOFF ADVERTISING DROVE MORE THAN 2.2 MILLION SITE VISITORS TO BEEFITSWHATSfordinner.com, **A 29-PERCENT INCREASE OVER FY14.**

New beef production science-based courses are introduced to middle and high school classrooms across the U.S.

Beef. It's What's For Dinner. reaches a landmark one billion consumers in one year.

THE BEEF. IT'S WHAT'S FOR DINNER. **"UNITED WE STEAK"** GRILLING CAMPAIGN PROMISED TO BE THE MOST EXTENSIVE AND LONGEST-RUNNING BEEF CAMPAIGN TO DATE.





FOCUSED ON THE

FUTURE

One primary goal for the beef industry is to build consumer trust in both beef and the cattlemen and women who produce it. However, the question is, where's the best place to start? As a part of its efforts to drive beef demand, the Beef Checkoff works diligently to find innovative and effective ways to help consumers understand beef's safety, nutritional value and sustainability. In fact, the Checkoff invests producer dollars to educate tomorrow's consumers today. By connecting with the young minds of U.S. schoolchildren and their teachers through various learning opportunities, the Checkoff can positively influence the way these future consumers think about beef and instill confidence in production practices.

Hear from the teachers themselves on their experiences learning and teaching about beef:

What was your personal experience teaching the pilot program?

The curriculum was built on a phenomenon-based teaching model. This model requires the teacher to step back and allow students to be curious and question their natural world. The unit then builds off of student questions. This was groundbreaking for me as a teacher. It taught me how to be 'off stage' and allow the students more freedom with their learning. I saw huge growth in student participation and growth in my teaching style.

SHELI WAGERS

Science Teacher, Claggett Creek Middle School
Keizer, Oregon

Do you think these courses will help influence the way young people view agriculture and beef products?

Absolutely! The more we incorporate agriculture into everyday lessons, the better we can show how everything in some shape or form is connected to the industry. Showing a science-based outlook has engaged and captivated many students. There is a scientific process behind every agriculturist, which is what needs to be shown and portrayed in our schools, especially to younger students.

GERALD HOSLER

Agricultural Sciences Teacher, McKay High School
Salem, Oregon

How did your students benefit from the beef production curriculum?

I heard a lot of them mature in their conversations over the time we spent on this unit. 3D learning requires students to have a lot of small group conversations. Students struggle with this. This curriculum, however, was interesting and challenging enough to keep them involved and on task. Students' abilities to have meaningful conversations improved. I think this skill will help them tremendously throughout their lives.

PATTI HOWELL

Biology Teacher, Baconton Community Charter School
Baconton, Georgia

Through the American Farm Bureau Foundation for Agriculture (AFBFA), a contractor to the Beef Checkoff, beef education and learning opportunities for teachers are now available across the country. Through AFBFA's efforts, educators are able to teach beef production, science-based courses to middle and high school students through two different curriculums. The high school unit is centered around genetics and heredity. Students explore the variety of cattle breeds and discover that cattle are specialized for different purposes and while similar, the "Super Cows" are clearly unique.

Why should beef farmers and ranchers support Beef Checkoff investments in teacher and student education?

They should support investments in education because education is going to have the biggest impact on the industry. Exposing students to the industry and its practices can help shape and change the industry in many positive ways. We have a dire need to be innovative and develop more efficient ways to feed our populations while taking care of our land, and to do that, we need younger generations involved.

GERALD HOSLER

Agricultural Sciences Teacher, McKay High School
Salem, Oregon

I am so appreciative of the support from beef farmers and ranchers. Their support allowed me to attend AFBFA's learning conference and bring back awareness to my students of how important the beef industry is. The students were so amazed to hear from farmers and ranchers in various parts of the beef production unit through video and reading. The ranchers expressed their years of hard work and how they turned their farms/ranches into productive conservation entities while remaining profitable.

SHELI WAGERS

Science Teacher, Claggett Creek Middle School
Keizer, Oregon

Students wonder what caused this diversity and specificity which leads to investigations about the role of inheritance, DNA and proteins. The middle school unit covers ecosystem dynamics and interactions. Students learn that ecosystems, animal behavior and symbiosis were developed through the Storyline approach. This unit covers why prairie chickens have a unique dance and the role cows play to help ensure the dance takes place. Using this approach, students engage in science concepts to help ensure the survival of the prairie chicken. These two units were released in a pilot program in 2019 in classrooms in Oregon, Georgia, Arizona, Oklahoma, Texas and Tennessee.

Teachers can also attend virtual educational events and other learning opportunities that demonstrate how the beef production process provides an excellent context for exploring science. ■

MEET YOUR CATTLEMEN'S BEEF BOARD MEMBERS

Ninety-nine – that's the total number of members representing every industry sector on the Cattlemen's Beef Board. Every one of those 99 CBB members is deeply rooted and actively involved in the beef industry. Despite running operations and businesses of their own, these producer and importer leaders volunteer their valuable time to represent both the entire beef industry and producers in their states. Here, a handful of CBB members from across the U.S. tell us why they chose to get involved.

Visit BeefBoard.org/Meet-Your-Board to learn about the board members in your state.



IRV PETSCH, WYOMING

Irv owns and operates, along with his two sons and nephew, the Y6 Ranch in Meriden, Wyoming. The ranch has extensive grassland, irrigated farm ground, native hay meadows and a 6,000-head custom feedlot. Irv has been directly involved with the Beef Checkoff since 2001 and currently serves on the Executive and International Marketing Committees.

The Beef Checkoff is the quarterback of the beef industry team. Because of extensive Checkoff-funded programs, the beef industry had success in the past and is looking toward a bright future on the horizon.



BILL KING, NEW MEXICO

Bill has owned the Bill King Ranch for 45 years. It includes a cow-calf operation with Angus, Hereford and Charolais herds, a feedlot operation and 4,000 acres of corn, hay and wheat. Bill has also been active in agricultural organizations and is a past president of both the American Hereford Association and the New Mexico Cattle Growers; a past regional vice president of the National Cattlemen's Beef Association; and a past board member for the Texas Cattle Feeders Association.

The Beef Checkoff has put beef at the center of the plate for most American households and more families worldwide. The Checkoff is also dedicated to helping every single beef producer in the U.S. – and it has done just that.



KATIE COOPER, MONTANA

Katie is a proud fourth-generation rancher working on her family's registered Hereford operation in Willow Creek, Montana. The family's ranch is home to more than 200 head of Line 1 Hereford cows; 150 head of home-raised, cross-bred cows utilized in their embryo transfer program; and a farming operation that produces hay and grain. Every March, the ranch markets close to 100 yearling bulls at its annual production sale, with 2021 marking the sale's 55th anniversary. Katie currently serves as co-chair for the Domestic Marketing Committee, an extension of the Innovation Committee that was part of the Beef Industry's prior five-year Long Range Plan.

I believe it's important to show up and give back, and the Cattlemen's Beef Board allows me to do just that for the hardworking men and women of our industry. The work performed by the Cattlemen's Beef Board is like no other in the nation and I am honored to play a role in helping drive consumer demand for beef through Checkoff programs.



DAPHNE HOLTERMAN, WISCONSIN

For the past 40 years, Daphne and her husband, Lloyd, have owned and operated the farm and dairy operation, Rosy-Lane Holsteins, with their partners Tim Strobel and Jordan Matthews. The team farms 2,000 acres and milks about 950 Holstein cows. The operation ships milk to Saputo, a dairy company, where it's made into cheese. Daphne's responsibilities on the farm include overseeing human resources, farm safety and animal care. She also organizes farm tours and manages the farm's social media outreach. She serves on the Consumer Trust Committee.

I believe in the power of promotion. I worked in food and ag communications for more than 10 years after college, and I hope to apply that experience to the industry's future challenges. We must work harder and smarter to reach consumers and listen to them more.



KRISTINA MCKEE, TENNESSEE

Kristina has been involved in agriculture her entire life. She spent her early years on a dairy, hog and tobacco farm in Watertown, Tennessee. She and her husband, Bill, spent 35 years in the livestock auction market sector. They retired in January 2020 but still run their small background operation. Kristina currently serves on the board of directors for the Tennessee FFA Foundation, the advisory board for the Tennessee Beef Foundation, and she is a member of the Tennessee Livestock Markets Assoc., Wilson County Cattleman's Assoc. and the Farm Animal Care Coalition of Tennessee. She will serve on the CBB's Stakeholder Engagement committee for 2021.

2020 brought many consumers back to the kitchen. I believe the Checkoff-funded Beef. It's What's For Dinner. brand provides a wealth of solid information about beef and outstanding recipes for families cooking together again.

Beef Back on Broadcast TV



For the first time since 2003, Checkoff-funded *Beef. It's What's For Dinner.* was back on broadcast television. "Drool log" advertisements aired during the Hallmark Channel's "Countdown to Christmas" movies. This ad, featuring a Beef Prime Rib Roast slowly cooking over an open flame, encouraged watchers to include beef in their holiday meal plans.

The Drive to Start Accepting Corporate Sponsors



Today, *The Drive* is mailed out to more than 90,000 beef producers across the U.S. To be more efficient and judicious with producers' Checkoff dollars, the Beef Checkoff plans to partner with third-party companies and organizations to offset this newsletter's production costs.



Cattlemen's Beef Board
7555 E. Hampden Ave.
Suite 610
Denver, CO 80231
(303) 220-9890

Schooling the Teachers

*See what teachers have
to say about the beef
production curriculum.*

DRIVING STRONG
DEMAND

1986 TO 2021

THE BEEF CHECKOFF

CELEBRATING
35 YEARS
OF DRIVING BEEF DEMAND

FOLLOW THE LEGACY INSIDE

EST. 1986
BEEF CHECKOFF

Subscribe to *The Drive* at DrivingDemandForBeef.com

@BeefCheckoff @BeefCheckoff

The advertisement features a background image of a green field with a tractor and a cow. The text is overlaid on the image, with a large "35 YEARS" graphic on the left and a central "CELEBRATING 35 YEARS OF DRIVING BEEF DEMAND" headline. A small orange box at the top right of the image contains the years "1986 TO 2021". The bottom of the advertisement has a dark grey bar with social media information and a website link.

INSTRUCTIONS FOR APPLICATION FOR REFUND OF NORTH DAKOTA CHECK-OFF

1. To be entitled to a refund of the North Dakota beef check-off, a producer must make an original personal request for a refund application to the North Dakota Beef Commission within 60 days after the date of the sale. Requests may be made in writing, in person, via email or by phone and are only valid if made by the person or entity whose name appears on the cattle sale documentation.
2. Complete and return this "Application for Refund of ND Beef Checkoff" with proper evidence of sale and checkoff deductions within ninety (90) days after the date of sale. The completed application may be returned to the ND Beef Commission office in person, by mail, or in one .pdf file scanned and emailed to the Commission at ndbeef@ndbeef.org.

DATE OF SALE is the date cattle changed ownership and that appears on the bill of sale or similar documentation.

EVIDENCE OF SALE AND CHECKOFF DEDUCTION is required and must be a copy of the original sales documentation including: date of sale; market or purchaser making the checkoff deduction; name of producer or entity selling cattle; number of head of cattle; and amount of checkoff deducted. This evidence must be remitted with the completed application. After your application is processed, your evidence will be returned to you.

This application cannot be transferred to any other producer or entity and cannot be used to request a beef checkoff refund on sales made after the "Request Date" shown in the upper right hand corner on the front of this form.

IRS FORM W-9 CERTIFICATION INSTRUCTIONS-

The Taxpayer Identification Number (TIN) provided must match the name of the producer applying for a refund.

1. Individuals: Your TIN is your social security number. The name used for refunds should match the name shown on your income tax return for this same social security number.
2. If joint names are used, list first and then circle the name of the person whose TIN you entered. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.
3. Partnerships and Corporations: Enter your business name as shown on required federal tax documents. This name should match the name shown on the charter or other legal document creating the entity.

For information regarding the reporting of tax refunds on IRS forms 1099-G, please refer to the IRS web site <http://www.irs.gov/instructions/i1099g/index.html>. For those who cannot access the web site, see the IRS publication titled "Instructions for Form 1099-G (2015)".



**APPLICATION FOR REFUND OF ND BEEF CHECKOFF
SUBSTITUTE IRS FORM W-9
NORTH DAKOTA BEEF COMMISSION
SFN 60890 (12-2015)**

Privacy Act Notice – In compliance with the Federal Privacy Act of 1974, the disclosure of the applicant’s social security number on this form is mandatory according to section 6109 of the Internal Revenue Code if it is provided in lieu of a Federal Employer Identification Number (FEIN). When submitted, the social security number will be used for identification only and will not be disclosed to the public.

Please Read Instructions on Back of Form Before Completing

Name of Producer Applying for Refund		Phone	Request Date	
Address	City	State	Zip Code	

RECORD OF CHECKOFF DEDUCTIONS

Number of head	Market or Purchaser	City	Date of Sale	Amount of Checkoff Deduction
*TOTAL BEEF CHECKOFF DEDUCTED AND CLAIMED FOR REFUND				

IRS FORM W-9 CERTIFICATION

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number, except if I am an individual who is exempt from backup withholding and I have been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding and, therefore, I am not required to provide a taxpayer identification number on this form.
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, (b) I have been notified by the Internal Revenue Service (IRS) that I am not subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding and, therefore, I am not required to provide a taxpayer identification number on this form.
- I am a U.S. citizen or other U.S. person including a U.S. resident alien.
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

The Internal Revenue Service does not require your consent to a disclosure of this document other than the certifications required to avoid backup withholding.

Signature of Applicant*	Date	Check Appropriate Box
Social Security Number or Tax Identification Number (Required if not exempt from backup withholding)		Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/>

* When you sign this application for refund you certify that the information is true and accurate and the request covers only your interest in the cattle sold and the check-off deducted. This information is reported to the Internal Revenue Service, as required.

SEND YOUR APPLICATION FOR REFUND TO:
NORTH DAKOTA BEEF COMMISSION
4023 STATE STREET
BISMARCK, ND 58503
Telephone (701) 328-5120
ndbeef@ndbeef.org

DO NOT WRITE IN THIS AREA - FOR OFFICE USE ONLY

Orig. Request Date	Mail Date	App Received	Check Date	Check Mailed	Amount
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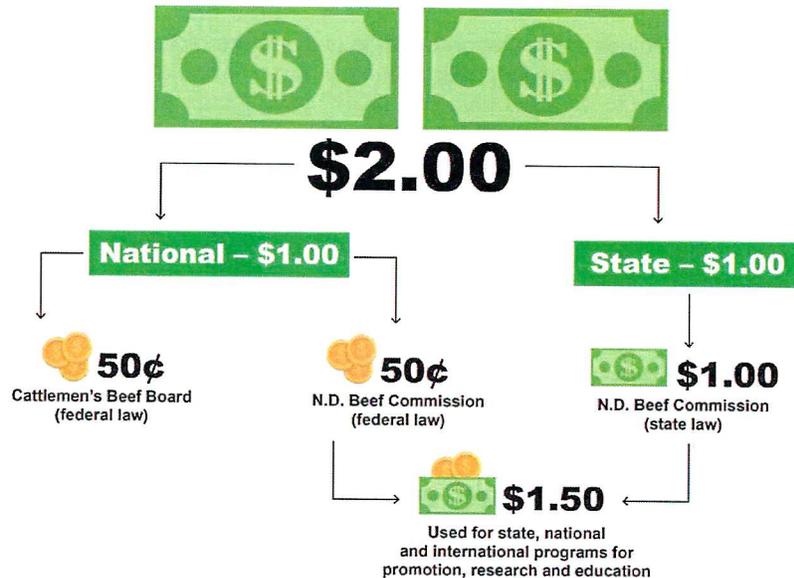
REPORT TO 2021 NORTH DAKOTA LEGISLATIVE ASSEMBLY SENATE AND HOUSE AGRICULTURE COMMITTEES

BACKGROUND

The North Dakota Beef Commission was legislated into existence during the 1973 legislative session. The rate of the beef checkoff began at \$.10 per head and was increased to \$.25 per head in 1981 and to \$.50 in 1983. In 1986, with the passage of the Beef Promotion and Research Act as part of the 1985 Farm Bill, the beef checkoff became a nationwide, uniform program at the rate of \$1 per head, including an assessment on imported cattle, beef and beef products. This went into effect October 1, 1986. In May of 1988 beef producers nationwide participated in a producer referendum and voted overwhelmingly in favor of continuing the national program. This national program still exists today at the same rate.

More recently, ND beef producers requested an additional North Dakota \$1 per head state beef checkoff during the 2015 Legislative Session. By action of the Legislature, ND now is one of 18 states that have implemented an additional state assessment over and above the national \$1. It is important to know that the national beef checkoff is a mandatory non-refundable assessment made every time cattle change ownership. The ND state beef checkoff is also due every time cattle change ownership and it affects all cattle sold in or from North Dakota. The state beef checkoff dollar is similar to other state commodity checkoffs and can be refunded by producers.

N.D. Beef Checkoff Program



LEADERSHIP

The ND Beef Commission is directed by a group of nine beef producers. Appointed by the Governor, the directors represent different sectors of the industry. Three producer directors are selected from nominations submitted by the ND Stockmen's Association. One dairy producer director is selected from nominations from the ND Milk Producers Association. One livestock marketing director is selected from nominations from the ND Livestock Marketing Association. One cattle feeder director is selected from nominations submitted by the Feeder Council of the ND Stockmen's Association. (The Feeder Council group resulted from the merger of the ND Livestock Feeders Assn. with the ND Stockmen's Assn.) The three remaining beef producer directors are appointed at-large by the Governor and must meet certain criteria set forth in the ND Beef Commission section of the ND Century Code. Directors can serve no more than two consecutive three-year terms. The Commission may also elect up to four non-voting ex officio members.

PURPOSE

The mission of the North Dakota Beef Commission is to:

“Enhance beef demand by strengthening consumer trust and exceeding consumer expectations.”

This is accomplished through consumer information, promotion, industry information, research, and national and international promotion programs funded by the NDBC with national and state checkoff dollars.

The duties of the Beef Commission include establishing and maintaining an office within the state, keeping accurate records of all assessments and other financial transactions under the law, and determining the uses for checkoff dollars. The uses may include the funding of research, education programs, and market development efforts, as well as participation in programs under the auspices of state, regional, national, and international organizations.



North Dakota's population of cattle is 2.5 times more than people. Investment into national programs in locations where human population greatly exceeds bovine, continues to be a priority. The NDBC joins forces at the national level with 43 other state beef councils, targeting the beef message to position beef as the premier protein. For producers to realize the greatest return on their checkoff investment, it is critical to get the beef industry message to consumers in the most cost effective manner possible. This is accomplished by pooling checkoff dollars at the national level through the Cattlemen's Beef Board, the Federation of State Beef Councils of the National Cattlemen's Beef Association (Federation) and the US Meat Export Federation (USMEF). Currently, \$.67 of every national checkoff dollar collected in ND is invested in national and international programs. Of this \$.67, federal law mandates \$.50 must go to national programs of the Cattlemen's Beef Board and the NDBC determines the additional \$.17 investment in national and international programs of the Federation and the USMEF. An additional \$.38 out of every state checkoff dollar also goes to national and international programming of the Federation and USMEF.

One other area that is unique to the ND Beef Commission, when compared to many other commodity groups in North Dakota, is the fact that the ND Beef Commission **does not** lobby. Federal law prohibits the use of any national beef checkoff dollars for the purpose of government influencing. We are not, however, prohibited from providing program information, research results, and promoting beef and serving as an information resource for government entities like our legislature on behalf of the beef industry.

PROGRAM HIGHLIGHTS

The past two years have included great accomplishments even through some challenges. Implementation of established consumer programs proved to be the biggest hurdle. Successful accomplishment involved innovation, new technology and digital methods to deliver beef information and messages to consumers, influencers and producers.

NATIONAL PROGRAM INVOLVEMENT

As has been mentioned, the national beef checkoff program is coordinated by the Cattlemen's Beef Board (CBB) with oversight by USDA. Additionally, the Federation of State Beef Councils of the National Cattlemen's Beef Association works with the CBB and state beef councils in national program development and implementation. The NDBC continues to extend national programs across ND to the extent possible with attention to national goals, objectives, design, and target markets. Please take time to review the national annual reports of the CBB by clicking [here](#) for more detail on national programming.

TARGET AUDIENCE

The target audience for demand-building checkoff programs is **"Millennials"**, those young people ages 18-38 that are the first consumer group to surpass the "Baby Boomers" in numbers as well as buying power. Extensive consumer research has shown that millennials with young families hold the greatest potential for increasing beef demand.

CONSUMER INFORMATION

Education

Teaching those that teach consumers, regardless of age, is key to spreading a positive beef message. This may be through a classroom teacher in **Agricultural Education** or **Family & Consumer Science** that utilizes resources on beef made available through the checkoff. It can also happen through the

Living Ag Classroom program annually bringing between 4000-5000 fourth-grade students closer to agriculture. This project is undertaken in Minot, Bismarck and Fargo, and since its beginning in 1995 has reached over **108,000** fourth grade students with a **"Food From Farm To Fork"** message. The **ND FFA, 4-H and NDSU Meat Judging Team** are also recipients of support from the ND Beef Commission. Members of these groups that participate in specific



beef product related programs receive recognition, awards or scholarships funded with beef checkoff dollars to recognize their achievements. A new **4-H "Chef For A Day" Grill Off** was debuted in 2019 and then successfully adapted to the new virtual environment in 2020 as contestants honed their beef cooking skills on grills at home but sent in videos and pictures of their creations. In addition, young children and their families were able to see, touch and feel everything related to where beef comes from when the NDBC assisted the NDSU Animal Science Department with their annual **"Moos, Ewes and More"** event in 2019. The first 500 in attendance at the event received **"Breakfast on the Farm"** including a beef breakfast burrito with milk and fruit made possible by the beef checkoff. Partnering with the **NDSU Extension Service** to educate consumers about beef preparation, safety and nutrition has paid great dividends. Programs like **"Teens Serving Food Safely"** to the **"Eat Smart. Play Hard. Together"** education effort have paved the way for new program development teaching consumers how to prepare beef conveniently in slow cookers and Instant pots. Funds will be available to purchase beef for these programs as well as appliances.



Those with an interest in smoking brisket had an opportunity to attend a **Beef Brisket Boot Camp** held in partnership with the NDSU Meat Science team. The first 50 BBQ enthusiasts to register learned everything from knife selection to seasoning, marinating and smoking beef brisket. Then they headed to the meats lab and seasoned their own brisket for smoking. The following day, the public was invited to sample and vote for their favorite.



Volunteers are also critical to the success of many beef promotion programs. That's why the NDBC uses checkoff dollars to support the efforts of the **ND CattleWomen** as they reach consumers young and old through local and state events including sport & home shows, large consumer events, ranch tours, library and classroom visits to read books about the beef business and other activities where they interact with consumers. While activities were normal in 2019, many of these projects were put on hold in 2020 as events were canceled across the state.



PROMOTION

Advertising

Reaching millennial consumers coast to coast is the focus of national advertising efforts but you won't necessarily see the same type of advertisements in traditional places because these new consumers are looking in different places for information. The message the past two years has been two-fold. "Nicely Done, Beef" and "United We Steak" digital advertising reached millions and millions of consumers in the state and across the country. The United We Steak campaign was unique in the fact that every state had a photo of a steak carefully carved in the shape of their state, along with a state-specific message and recipe. The signature artwork was steak carved into the shape of the United States which was featured in national



advertising. The exciting part of any digital advertising is that it forces a consumer to actually read, listen to an advertisement or engage by going to a website (like ndbeef.org) for a period of seconds before the advertisement is even billable, and then it's usually only two to four pennies per engagement. Since the beginning of this digital effort in North Dakota in mid-2019, the campaign has generated more than 2.1 million video views and clicks through Google Search and You Tube.

Consumers in every county in ND have been reached with nearly 4.5 million impressions.

With results that exciting, and North Dakota consumers well covered with this form of advertising, the NDBC reached out across the country to areas where people outnumber cattle several times over. These states may have beef commission's but with far less cattle, they don't have the funds to reach large numbers of consumers. This partnership effort in 2020 resulted in almost 37 million engagements with consumers who clicked on a beef ad or viewed a beef video. And all of this at the cost of about a penny per engagement.

In ND, state checkoff dollars have made it possible to keep beef on television targeting two major special television events during the year. There are few other events that rival the viewership of the state **Class A and Class B Boys & Girls Sports Tournaments**. Again, while the pandemic interrupted some of the sports events in 2020, those watching in 2019 and part of 2020 saw and heard the sizzle of beef several times per game. And when high school hockey, football and basketball were over, beef television and radio ads were also seen and heard on **NDSU Bison Football** games statewide. Beef was also featured over 600,000 times through the NDSU Bison Facebook page and at the Bison tailgating events at NDSU when the NDBC partnered with NDSU's Meat Science/Carnivore Catering staff who featured various beef items for spectators to enjoy at the beef tailgating location.



PRODUCER & INDUSTRY INFORMATION

The **ND Beef Quality Assurance program** is considered one of the premier cow/calf state BQA programs in existence. This program is under the direction of the NDSU Extension Service, with financial support coming, in part, from an annual grant from the Beef Commission. Programming developed by ND BQA Specialist, Lisa Pederson, has served as the model for several other state and national BQA programs. Her dedication to educating beef producers, children in 4-H,



and developing BQA educational programming for livestock market employees, livestock truckers, and first responders including fire departments, police, ambulance, veterinary clinics and others that may need to take charge of a major accident scene involving livestock has served as a national model and is being copied from coast to coast.

RESEARCH

Beef checkoff dollars are restricted to funding research directly related to **beef and beef products**. With very close coordination of industry research priorities and targeted research needs at the national level, the ND Beef Commission has always encouraged state institutions to develop and conduct research projects that further national research priorities. Over time, this has been a very successful strategy and several researchers in the state have been recipients of national checkoff research grants including **NDSU and the USDA ARS Grand Forks Human Nutrition Research Center**.

With additional state checkoff dollars available, the NDBC has gone from less than \$1000 for research in fiscal year 2015, to investing a total of over \$1.9 million in 25 research projects since the state checkoff started in August of 2015 to today.

The areas of priority for research include:

1. Human Nutrition – The importance of beef in human diets for health and wellness
2. Product Quality – Drivers of demand including palatability and safety
3. Product Innovation – New or improved beef products to appeal to a broader consumer base

Over the last year, one research project of note was conducted by Dr. Sherri Stastny at NDSU in human nutrition titled “The influence of Animal based protein and beef consumption on ability to perform functional activities, muscle quality and bone mineral density among adolescent to older females.” Dr. Stastny’s research was cited by nutrition experts in defense of the value of beef in the diet in the discussion regarding the most recent round of the Dietary Guidelines for Americans. You may not think this is important, but the Dietary Guidelines influence American diets. The recommendations, from this committee, are the basis for decisions in all food related programs receiving federal funding. This includes the national school lunch program, US military global feeding programs, the Women, Infants and Children feeding program (WIC), senior feeding programs and many, many more. Having experts of the caliber of Dr. Stastny doing research, funded with beef checkoff dollars, that may impact decisions at the federal food program level is extremely important to consumers and to beef producers.

FOREIGN MARKETING

With 96% of the world’s population living outside of the United States, and many foreign countries experiencing growth in their middle class, there is ample opportunity for US Beef to become the preferred choice for billions of consumers around the globe. That is why the NDBC has a long-standing record of support for the **U.S. Meat Export Federation (USMEF)**, the organization that carries out U.S. beef demand-building programs in foreign markets. USMEF has a long history of educating meat buyers, retailers, the food service trade and consumers in over 100 countries around the world. US beef exports also currently contribute near \$300 per head of fed cattle slaughtered. Currently ND holds three votes on the USMEF board of directors

Focus on Japan

Over the last four years, NDBC has increased its financial support to USMEF for US beef promotions in foreign markets, with a concentrated focus on Japan. According to USMEF, Japan imports half of its calories, leaving the US well-positioned to feed Japan’s growing appetite for beef. Retail promotions, made possible in part with NDBC support, have shown great impact on the sale of beef to Japanese consumers.

NDBC Members participate in Heartland Trade Mission to Japan

Two NDBC members were part of a 31-person Heartland Trade Team that traveled to Japan. Their focus was to learn more about the world's most competitive red meat import market and demonstrate their commitment to serving the Japanese market. Clark Price, a Washburn beef producer, and Mark Voll, a ND beef producer from Sidney, attended market briefings from the Foreign Ag Service and Ag Trade Office, met with key players in the Japanese meat trade, toured retail and restaurant sectors, learned about Japanese domestic beef production, and participate in US red meat promotions and consumer events.

While all aspects of the mission provided a great deal of insight into the Japanese market, an event with consumers, bloggers and food influencers in Tokyo was a highlight. Even though Japan's love of US beef is growing, grilling beef is something they don't do because there's no room in their small apartments to have a grill. According to Price, "To actually grill, they must go to places like Weber Park, a park built by the Weber Grill company, and reserve a grill. Grilling is a new flavor for them as well as a whole new experience in learning how to run a grill."



Price shared information with them about how his family raises cattle, and then all the team members demonstrated grilling a rib eye steak. Everyone was treated to an entire grilled ribeye steak, rather than the small slices that are their traditional practice. Attendees shared pictures taken during the beef grilling experience and the American beef producers that made it possible on social media across Japan, thus reaching a far greater audience of people interested in learning more about US beef.

These global marketing successes continue to provide an outstanding return for U.S. cattle producers. As a result, the NDBC has renewed its commitment to foreign marketing in Japan.

MOVING INTO THE NEXT BIENNIUM

On the domestic front, consumers continue to enjoy beef and the demand for beef in North Dakota and nationwide is strong. Marketing efforts at the national level focus on consumer strategies that bring consumers to the table looking for the great taste of beef as well as the healthful benefits of beef in the diet. All marketing programs deliver a message of great taste, convenience, and healthfulness focused around the three national promotion pillars of protein, people and pleasure. Ongoing consumer market research will continue to direct the focus of programs. Additional beef product enhancement and human health research as it relates to beef in the diet will also be a major focus. All of these national efforts will be extended as much as possible at the state level in an effort to present a unified state/national program bringing good results to the beef producers that make checkoff funded beef promotion, research and education programs possible through their investment in the beef checkoff program.

A high priority for the NDBC is continual support of the foreign market opportunities. A growing middle class worldwide opens great opportunities for US beef exports. International efforts handled through the USMEF and funded with beef checkoff dollars will be expanded in markets showing interest and opportunity for US beef. The ability of the ND Beef Commission to use additional state checkoff dollars to assist with increased international promotion efforts will continue. Beef from the US is high quality and very desirable around the world. While there are significant national checkoff dollars that go into foreign marketing, the NDBC can also make great strides in supporting additional targeted programs in countries like Japan. These investments will continue to be a focus of the NDBC with state and national checkoff dollars.



Beyond these programs, we also must remember that beef checkoff programs have always been focused on long-term results, not quick fixes. With that in mind, research, education in all segments, staying ahead of volatile issues, planning for the future, and always keeping a pulse on changing thoughts and concerns about beef will be major priorities making up the foundation of beef checkoff programs. One new education program that is currently in a pilot stage shows great promise of helping young athletes learn how to stay healthy and stay fueled for competition. This program, developed by

the South Dakota Beef Industry Council and Sanford Sports Institute, is called ***BUILD YOUR BASE WITH BEEF!*** Geared for high school and college athletes, this program focuses on meal plans, meals on the road to games, making good choices, involving families and communities, and enjoying nutrient rich foods like beef. More to come on this program as it develops across our state.

The NDBC will continue to follow the lead of national programming and will extend national programs in the state that show promise of being effective and returning the greatest amount per checkoff dollar invested. Population centers across the state will be the target as will millennial audiences. The NDBC will also continue to have a strong voice through the producer representatives the NDBC sends to represent our state at national meetings. While the checkoff organizations like the ND Beef Commission cannot be involved in lobbying, the NDBC will continue to play a vital role in keeping producers informed about the current program that their checkoff investment makes possible. Although producers may not always agree on political and legislative issues at the state and national level, the vast majority agree that beef promotion, research and education programs are necessary and valuable in defending beef as a powerful protein choice as well as a safe, delicious, nutritious choice for today's consumers.

If you have questions or concerns about the beef checkoff program, please feel free to contact the ND Beef Commission, 4023 State Street, Bismarck, ND 58503, 701-328-5120, or email at ndbeef@ndbeef.org. And take time to visit our website at www.ndbeef.org for consumer and producer information on beef. For more detailed information on beef checkoff programs from the past two years, please visit the website using the link provided to committee members or contact the NDBC office for a printed copy.

NORTH DAKOTA BEEF COMMISSION
Bismarck, North Dakota

STATEMENT OF PROJECTED REVENUE AND EXPENDITURES
For the Bienniums Ended June 30,
UNAUDITED

Prepared by the North Dakota Beef Commission

	19-21 <u>Biennium</u>	21-23 <u>Biennium</u>
Beginning Balance	\$ 1,793,872	\$ 1,016,341
REVENUE:		
Gross Assessment Revenues	4,375,536	4,400,000
Less		
Assessments Remitted To other states	35,443	36,000
Assessment Revenues remitted to Cattlemen's Beef Board	1,088,238	1,100,000
State Refunds	<u>293,575</u>	<u>297,000</u>
Net Assessment Revenues	\$2,958,280	\$2,967,000
Interest Income	20,849	11,000
Other Revenue	<u>16,705</u>	<u>15,000</u>
Total Revenues	<u>\$ 2,995,834</u>	<u>\$2,993,000</u>
EXPENDITURES		
Program Expenditures		
International	\$ 546,730	\$ 300,000
Promotion	480,876	400,000
Research	723,287	231,000
Consumer Information	330,641	350,000
Industry Information	169,572	150,000
National Program Development	544,163	550,000
Special Projects	100,000	100,000
Administration –		
Salaries, Per Diem, Benefits	691,018	790,000
Operations –		
Rent, audit, compliance, office equipment, supplies, postage, printing, legal, board insurance, travel	187,078	300,000
Total Expenditures	<u>\$ 3,773,365</u>	<u>\$ 3,171,000</u>
Excess of Revenues Over (Under) Expenditures	\$ (777,531)	\$ (178,000)
Ending Balance	\$ 1,016,341	\$ 838,341

The following information has been supplied by the US Meat Export Federation regarding the success and status of US beef exports around the world and specifically Japan.

US Beef and Variety Meat Exports:

- US beef and variety meat exports were record large at 2.98 billion pounds in 2019. 2019 exports were down 2.5% from the 2018 record at 2.91 billion pounds (with both 2018 and 2019 exports over \$8 billion). 2020 exports are expected to be down 4.5 % at 2.78 billion pounds (with beef muscle cut exports down just 2%) due to covid-19 disruptions and labor limitations at plants for some value-added cuts and variety meats for export along with a slowdown in global foodservice in the spring. 2021 beef and variety meat exports are expected to rebound and reach a new record.
- The US exports beef to over 100 countries, and the top export destinations are Japan, Korea, Mexico, China/HK, and Canada. 2021 growth is expected to be led by China, Japan, and Korea along with a rebound to Mexico. Growth is also expected in emerging markets like the ASEAN, Africa, South America, and Central America.
- US beef production in 2020 will be about even with 2019 and record large in 2021, while Australia's production is expected to be down about 15% in 2020 and to maintain these low levels in 2021. USMEF expects strong demand for US beef with foodservice recoveries and strong retail demand for high-quality, grain-fed beef especially in the Asian markets.
- The US is the top global exporter of grain-fed beef and chilled beef.

**USMEF ACTIVITY REPORT TO
NORTH DAKOTA BEEF COMMISSION
U.S. Beef Market Development Activities in Japan**



January 5, 2021

**The USMEF activities described in this report were funded by the
North Dakota Beef Commission**

This report summarizes market development activities conducted by the U.S. Meat Export Federation in FY2020 in Japan on behalf of the U.S. beef industry and its partner, the North Dakota Beef Commission (NDBC). USMEF would like to acknowledge and thank NDBC for its financial and personnel assistance in implementing these projects.

GLOBAL U.S. BEEF/BVM EXPORTS UPDATE

October beef exports were slightly lower than a year ago at 107,591 mt (down 0.4%), valued at \$646 million (down 0.5%). For January through October, exports trailed last year's pace by 7% in volume (1.02 million mt) and 8% in value (\$6.2 billion). Beef muscle cut exports trended higher than a year ago in October, increasing 5% to 85,445 mt valued at \$573.8 million (up 1%). January-October muscle cut exports were 5% below last year in volume (791,694 mt) and 8% lower in value (\$5.48 billion).

Beef export value averaged \$283.94 per head of fed slaughter in October, steady with last year. The January-October average was \$293.99, down 5% from a year ago. Exports accounted for 12.7% of October beef production, down slightly from a year ago. But for muscle cuts only, the percentage increased from 10.5% a year ago to 10.8%. January-October exports accounted for 13.2% of total beef production and 11% for muscle cuts, each down about one-half percentage point from a year ago.

JAPAN ACTIVITY

2020 kicked off with the U.S. and Japan trade agreement entering into force January 1st and tariff rates for U.S. beef in line with its competitors. With this new parity, the U.S. beef industry was able to move a wider range of products to its loyal customers in Japan and well-positioned to capitalize on the tremendous growth opportunities as per capita beef consumption in Japan continued to climb. As consumers began shouldering a lighter tariff burden when purchasing U.S. beef, one of USMEF's key strategies was to highlight the opportunity to upgrade to higher quality cuts than they purchased in the past while also encouraging higher volumes.

For much of the first half of 2020, U.S. beef was able to capitalize on market access gains in Japan. Through April, U.S. beef exports to Japan established a record pace at 114,152 mt (up 16% from a year ago) valued at \$719.8 million (up 13%). Despite trending 33% lower in May and down 30% June due to interruptions in slaughter and processing in the U.S. amid COVID-19, the

mid-year export total to Japan was just 2% off 2019's pace in both volume (154,881 mt) and value (\$985.5 million). Positive momentum has resumed through the second half of the year with exports in October topping last year by 10% in volume (23,353 mt) and 8% in value (\$146.8 million). January through October exports to Japan trailed last year's pace by 2% in both volume (257,083 mt) and value (\$1.61 billion). U.S. market share for Japan's total beef imports was 43.7% through October, up from 40.5% last year, as Australia's share declined from 45.5% to 41.2%.

USMEF's main marketing strategies in Japan have revolved around support and service to the retail industry and the trader that supply this very important sector. While most U.S. beef moves through the foodservice channels in Japan, retail is a key opportunity to expand consumption of U.S. product as consumers seek high-quality options to prepare at home. NDBC has served a vital role in USMEF's efforts backing major retailers like Aeon, York Benimaru, Ito Yokado, Costco and others, all key targets for moving large volumes of U.S. beef. This partnership is well-received by the U.S. beef industry's Japanese retail partners and traders alike. Furthermore, at a time when more people were staying home and preparing their own meals, USMEF was able to implement a number of U.S. beef retail promotions which were also adapted to the new marketing environment in which in-store tasting demonstrations had not yet resumed.

For example, NDBC funds were leveraged to conduct large-scale events with several national retailer groups, including a nationwide winter "sweepstakes" campaign which ran throughout the last quarter of the year. With 18 retail companies (1,266 outlets) participating, consumers simply uploaded a photo of their U.S. beef receipt and price sticker from participating stores on the "LINE" App to enter. USMEF publicized the campaign through traffic ads and on digital media. Monthly volume sales of U.S. beef at affiliated retailers during the period were approximately 680 mt.



From October to November, USMEF partnered separately with Ito Yokado, a large supermarket chain that operates 132 outlets across Japan, in its annual American Meat Festa consumer prize campaign, incentivizing shoppers to purchase qualifying quantities U.S. beef with the chance to win prizes such as electric cookers. USMEF's support included point-of-sale marketing materials and a special newspaper insertion. During the period, Ito Yokado's U.S. beef sales totaled 417 mt.



Aligning with USMEF strategies in Japan to expand the retail presence of U.S. beef among *regional* retailers that have historically been supplied by competitor product (especially from Australia and Canada), NDBC funds were also used to strengthen U.S. beef sales through this important growth channel. For example, CGC Japan, the largest cooperative group of regional supermarkets with 208 member stores (4,167 outlets) located throughout Japan, designated U.S. beef as a featured item for the month of September. NDBC's investment boosted the accompanying promotion in which shoppers could apply for prizes (cooking equipment and American beef shopping bag) by purchasing U.S. beef at CGC member retailers. About 80 companies participated in the campaign, which gathered 2,718 applications during the one-month period, and ultimately generated 700 mt in U.S. beef sales. USMEF also partnered with regional chain York



Benimaru from September to November to promote various cuts of U.S. beef (chuck eye roll, striploin, tri-tip, short ribs and tongue) at its 231 outlets in northern Japan. These efforts resulted in 460 mt of U.S. beef being sold. Finally, partnering for the first time with Nogawa Shokuniku (a wholesale retailer with 11 outlets in northern Japan), USMEF utilized NDBC funds to support newspaper insertions from September 20 to November 21 that highlighted U.S. chuck roll, short plate, tongue and hanging tender. 57 mt of U.S. beef was sold during the period.



PROGRAM IMPACT

NDBC's investment for the 2020 fiscal year was leveraged with \$216,175 of other USMEF funds and extensive staff time, in addition to third party contributions (TPC) from partners in Japan which totaled \$281,515 in "hard costs" (direct contributions for production of POS materials, promotional items, newspaper ads, etc.). This investment generated approximately 3,674 mt (8.10 million lbs.) in U.S. beef sales.

FUNDING SUMMARY	
Funding Summary	
North Dakota Beef Commission	\$175,000
USMEF Contribution	\$216,175
Subtotal	\$391,975
Third Party Contributions Hard	\$281,515
Total Matched & Leveraged Resources	\$673,490

2021 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1487—p.m.
2/5/2021

Relating to the beef checkoff

Chair D. Johnson continued the hearing at 2:10 a.m.

Attendance	P or Ab
Chair D. Johnson	P
Vice Chair Trottier	P
Representative Beltz	P
Representative Buffalo	P
Representative Dobervich	P
Representative Fisher	P
Representative Headland	P
Representative Kiefert	P
Representative Richter	P
Representative Satrom	AB
Representative Schreiber-Beck	P
Representative Skroch	P
Representative Thomas	P
Representative Tveit	P

Discussion Topics:

- Refund of checkoff dollars
- Board representation

Chair D. Johnson reconvened at 2:10 p.m.

Travis Maddock, Secretary/Treasurer, ND Beef Commission answered committee questions in neutral position

Opposition

Jason Schmidt, Rancher testified in opposition: Attachment #5658

Brian Amundson, Rancher & ND Agriculture Coalition testified in opposition:

Neutral

Larry Kinev, Stockmen’s Association, IBAND testified in neutral position (2:47 p.m.)

Ray Erbele, Napoleon Livestock answered committee concerns.

Chair D. Johnson closed the hearing 2:56 p.m.

Representative Tveit moved Do Not Pass

Representative Thomas seconded the motion.

Vote	
Chair D. Johnson	Y
Vice Chair Trottier	Y
Representative Beltz	Y
Representative Fisher	Y
Representative Headland	Y
Representative Kiefert	N
Representative Richter	Y
Representative Satrom	AB
Representative Schreiber-Beck	Y
Representative Skroch	N
Representative Thomas	Y
Representative Tveit	Y
Representative Buffalo	Y
Representative Dobervich	Y

Roll call vote. Motion passed 11-2-1. Representative Thomas is the carrier.

Additional written testimony: #4724, 4727, 4751, 4752, 4804, 5035, 5039, 5073, 5103, 5118, 5215, 5290, 5315, 5354, 5365, 5382, 5427, 5477, 5510, 5511, 5523, 5536, 5561, 5564, 5568, 5569, 5570, 5573, 5576, 5577, 5579, 5587, 5589, 5590, 5591, 5593, 5596, 5600, 5605, 5609, 5615, 5617, 5619, 5623, 5656, 5665, 5705, 5706, 5708, 5709

Chair D. Johnson adjourned at 3:03 p.m.

ReMae Kuehn, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1487: Agriculture Committee (Rep. D. Johnson, Chairman) recommends **DO NOT PASS** (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1487 was placed on the Eleventh order on the calendar.

Friday Feb. 5th, 2021

Testimony to the House Ag Committee in opposition to HB 1487

Chair – Rep. Dennis Johnson

Good morning Chairman Johnson and members of the committee. My name is Jason Schmidt. I'm a 4th generation rancher from Kidder County ND and I stand in **strong opposition to HB 1487**.

We should not be taking away from a 6 yr. old in state, voluntary, Beef Checkoff program. In fact, I believe we should be adding to it. This is a **locally controlled** program with great North Dakota Beef producers deciding where it should be spent.

In North Dakota, we have nearly twice as many cattle as people and therefore it becomes even more important for us to not only advertise our healthy and safe, wholesome product but also to help combat all the misinformation out there as it tries to disparage our end product. Whether it comes from animal rights activists, an anti-meat message, an environmental impact angle or just an uninformed consumer, we need to be able to answer questions with factual information and research and the extra \$1 in state Beef Checkoff helps us accomplish just that!

We are currently in a large supply situation and the last thing we should do is advertise less. As Covid restrictions lighten up we need to be ready to gear up for the grilling season and promote our product even more because we have a great story to tell.

Please **vote NO on HB1487** and continue this easily refundable program that every Beef producer benefits from whether they pay it or not.

Thank you for your consideration.

Testimony on HB 1487 presented to the House Agriculture Committee on February 5, 2021

Good Morning Mr. Chairman and members of the House Agriculture Committee. For the record, my name is Joanne Rangen. I run cattle near McKenzie, ND along with my family.

I urge you to vote **in favor** of HB 1487. Changing the word 'must' to 'may' will truly make this a voluntary check off.

Thank you for hearing my concerns.

Testimony on HB 1487 presented to the House Agriculture Committee on February 5, 2021

Good Morning Mr. Chairman and members of the House Agriculture Committee. For the record, my name is Clancy Rangen. I run cattle near McKenzie, ND along with my wife's family.

I urge you to vote **in favor** of HB 1487. Changing the word 'must' to 'may' will truly make this a voluntary check off.

Thank you for hearing my concerns.

I am in favor of HB 1487. Please Support this bill.

Jeff Hepper
Keene, ND 58847
701 421-1399

I strongly support HB 1487. I am hoping you will also support this bill.

Thank You,
Eva Hepper
3522 105th Ave. NW
Keene, ND 58847
701 421-1399

My name is Jodi Carlson. I am a rancher from Killdeer, N.D. I stand opposed to HB 1487.

House Bill 1487

Mr. Chairman, I stand in support of House Bill 1487. My reason is until our check off dollars are supporting a true beef product born, raised & harvested in the USA, I feel that our check off dollars paid in are working against American Ranchers. Right now our check off dollars are supporting imported beef with a product of the USA label on it.

Sincerely,

Ryan Brokaw

Forbes ND

House Bill 1487

Dear Mr. Chairman, I stand in support of House Bill 1487. My reason is until my beef check off dollars are use to promote beef that is born, raised & harvested in the USA. Importing beef from other countries and putting the USA label on beef products is not being turthful to the American people.

Sincerely,

Marcie Brokaw

Forbes ND

February 2, 2021 at 8:13 PM

Corey Hart voting in support of Bill #1487

Our money is not being used by the NCBA to the producer or feedlot benefits as a whole used for promoting beef consumption. But according to the ND Beef Commission they sure are.

It is unbelievable this last time I asked for a refund and no questions had been asked. Previous times they'd ask questions as to why and ultimately never returned the funds anyways. They claimed there wasn't enough informations and then the time frame had lapsed.

The packing industry should be promoting beef when Tyson profits 10 Billion per quarter in 2020.

Testimony in Opposition to HB 1487 presented to the
House Agriculture Committee on February 5, 2021

Good Morning Mr. Chairman and members of the House Agriculture Committee.

My name is Kathy Tokach, I am a rancher on a family-operated Angus ranch at St. Anthony, ND.

I stand opposed to HB 1487.

I strongly urge you to vote in Opposition to HB 1487.

Every time I sell a beef animal, I am investing \$2 per animal in the Beef Checkoff. My investment is critical to fund beef promotion, research, education, and consumer information programs.

Checkoff 'nutrition research' provides reams of information that is utilized in many areas, including the hearings for the USDA dietary guidelines. Dr. Eric Berg, a NDSU Scientist/ Researcher, has presented at these hearings. NDSU Scientists/Researchers have been able to conduct many research projects through Checkoff funds that were available to complete their research. My investment in our Beef Checkoff programs is important at the present time and in the future to promote beef as a vital protein in our American diet. Through Beef Checkoff research, we utilize the 'science' of beef nutrition to present to consumers.

The Checkoff is supported by approximately 90% of the ND Beef Producers. There is a process for a refund if a producer chooses to request a refund. This process is similar to the other commodities in North Dakota.

Thank-you and I strongly urge you to vote in Opposition to HB 1487 .

Kathy Tokach

5520 County Road 81
St. Anthony, ND 58566
701-445-7390

02/03/2021

Agricultural Committee

RE: HB 1487 Bill to amend the North Dakota Century Code relating to the Beef Checkoff– Opposing

Good Morning Mr. Chairman and members of the House Agriculture Committee.

My name is Joy Soreide Kinsey, I am a rancher on a family-run Charolais ranch in Bowman, ND. I stand opposed to HB 1487.

I am writing you because I oppose to the HB 1487 and am asking you to vote against this bill. I know what the second dollar means to ND and the beef industry. With that second dollar, we as a state are able to do research to show the benefits of beef in our diet and promote and educate the public on the benefits of beef. Though the checkoff we are able to reach so many people, something that would not be possible if the funds were cut and made optional. No rancher can spend \$2/head anywhere and do the same good by themselves for the beef industry compared to what the Beef Commission can do to promote beef as a whole.

I strongly urge you to vote in Opposition to HB 1487.

Sincerely,

Joy Soreide Kinsey
8305 149th Ave SW
Bowman, ND 58623
701-523-1324

Testimony on 1487 Phil Murphy for NDSGA

Mr. Chairman and committee, please allow me to introduce Kasey Bitz, a farmer and rancher from Lamoure, ND. He will be testifying remotely via Zoom. I would also add that our organization joins with the rest of the ND Ag Coalition to oppose 1487. Checkoff dollars in general are used for research and marketing for the respective commodities and in terms of research alone, I would hazard to say that nothing remotely akin to our current corn or soybean yields would be possible. Producers investing in themselves and their futures have led to agriculture's place of prominence in our state. Please strongly consider recommending a Do Not Pass recommendation for 1487. Thank you for your conscientious representation of our agricultural community.

House Bill 1487

Mr. Chairman my name is Jacki Christman. I farm and ranch with my husband in Adams County. I strongly support House Bill 1487. As an American cattle producer I feel like we are not advertising or supporting US cattle producers enough to give more of our hard-earned money away. I do not see enough support behind ND raised beef in this state to add additional \$1 to the ND checkoff. If I see more support and research for ND raised beef, I will be glad to voluntarily give money to the program. I am very proud of the beef we raise and would love to have more people know about the quality of our great ND beef.

Sincerely,

Jacki Christman

My name is JW Froelich from Selfridge, N.D. I am 24 years old and a 4th generation rancher.

I think you should vote **Yes** on **HB 1487** to allow beef producers *a choice* of whether they want to have another dollar taken from their paycheck for the beef checkoff. The ranching industry has tight margins, especially for young producers like myself who need every dollar to invest in land, machinery, fuel, and feed to manage a cow herd, earn a living, and provide for our families. We are also at the mercy of markets and political issues when we sell our livestock. As a young entrepreneur, I would like to have a voice in what kinds of unknown fees are taken from my bottom line.

At 24, I am one of the youngest producers in my county and area. The national beef checkoff dollar I pay for each animal I sell is not a choice. But the other dollar, which is supposedly aimed at more state research, is shadowed with controversy as to who will benefit or receive the funds.

The dollar I earn for every calf I save during a blizzard should stay to invest in my operation. I think voting **Yes** on **HB 1487** will allow me to have a say as to what I do with any profit I earn. Please think of the young producers who are faced with many payments and financial obligations to make ranch life possible.

Thank you!

JW Froelich
Sioux County Rancher

Mr. Chairman and members of the House Agriculture Committee, my name is Jeremy Maher. I ranch in southwestern Sioux County in District 31. My wife and I own a registered herd of cows. I am a paying member of North Dakota Farmers Union.

I wish you to vote in favor of HB 1487 for the following reasons.

1. I believe my fellow beef producers and I should have the choice to pay the extra check-off dollar up front.
2. I don't believe that check-off represents me or my fellow beef producers. I feel my check-off dollar goes to fight against issues I believe in.
3. This is a common sense Bill. It will make the process of collecting the check-off much easier for the ND Beef Commission by eliminating the need for the commission to send out the application and then later having to issue a check. The end result is paying postage twice.

Thank you for reading my testimony. If you would have any questions I would be happy to talk. 701-522-3696

Respectfully,
Jeremy Maher

#5365

5561



APPLICATION FOR REFUND OF ND BEEF CHECKOFF
SUBSTITUTE IRS FORM W-9
NORTH DAKOTA BEEF COMMISSION
SFN 60890 (12-2015)

Privacy Act Notice – In compliance with the Federal Privacy Act of 1974, the disclosure of the applicant’s social security number on this form is mandatory according to section 6109 of the Internal Revenue Code if it is provided in lieu of a Federal Employer Identification Number (FEIN). When submitted, the social security number will be used for identification only and will not be disclosed to the public.

Please Read Instructions on Back of Form Before Completing

Name of Producer Applying for Refund <i>Dylan Stearns</i>		Phone <i>701-780-0444</i>	Request Date <i>5-16-20</i>	
Address <i>10026 av st SE</i>		City <i>Ludden</i>	State <i>ND</i>	Zip Code <i>58474</i>

RECORD OF CHECKOFF DEDUCTIONS

Number of head	Market or Purchaser	City	Date of Sale	Amount of ND Beef Checkoff Deduction
<i>59</i>	<i>JBS</i>	<i>Grand Island</i>	<i>2/28/20</i>	59- <i>59-</i>
<i>8</i>	<i>Hub City Livestock</i>	<i>Aberdeen</i>	<i>2/25/20</i>	<i>8-</i>
<i>12</i>	<i>Hub City</i>	<i>Aberdeen</i>	<i>2/13/20</i>	<i>12-</i>
<i>20</i>	<i>Larson Livestock</i>	<i>Columbia</i>	<i>3/13/20</i>	<i>20-</i>
*TOTAL BEEF CHECKOFF DEDUCTED AND CLAIMED FOR REFUND				

IRS FORM W-9 CERTIFICATION

Under penalties of perjury, I certify that:	If Exempt, Indicate Type of Entity
1. The number shown on this form is my correct taxpayer identification number, and	
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding and,	
3. I am a U.S. citizen or other U.S. person including a U.S. Resident alien.	
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.	
The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.	

Signature of Applicant <i>[Signature]</i>	Date <i>4-1-20</i>	Check Appropriate Box Individual <input checked="" type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/>
Social Security Number or Tax Identification Number (Required for IRS Reporting)		

* When you sign this application for refund you certify that the information is true and accurate and the request covers only your interest in the cattle sold and the check-off deducted. This information is reported to the Internal Revenue Service, as required.

SEND YOUR APPLICATION FOR REFUND TO:
NORTH DAKOTA BEEF COMMISSION
4023 STATE STREET
BISMARCK, ND 58503
Telephone (701) 328-5120
ndbeef@ndbeef.org

DO NOT WRITE IN THIS AREA - FOR OFFICE USE ONLY

Orig. Request Date <i>5-16-20</i>	Mail Date <i>5-16-20</i>	App Received	Check Date	Check Mailed	Amount
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JBS USA Food Company

P.O. BOX 2137
GRAND ISLAND, NE 68802
TEL: 308-384-5330

Check Date: 03/04/2020

NO. [REDACTED]

DESCRIPTION	CONTRACT	LOT	KILL DATE	HEAD	WEIGHT	PRICE	AMOUNT
As Per Sheets		518	02/28/2020	118	104010.0		[REDACTED]
						TOTAL VALUE	[REDACTED]
						LESS FREIGHT	[REDACTED]
						LESS INSURANCE	[REDACTED]
						LESS BRAND INSPECTOR	[REDACTED]
						LESS MEAT BOARD	236.00
						LESS CHARGES INCURRED	[REDACTED]
						NET AMOUNT	[REDACTED]

Paid To: DYLAN STEARNS



HUB CITY LIVESTOCK AUCTION, INC.

Box 1735 • Aberdeen, SD 57402-1735

Office: (605) 225-3273 • Residence: (605) 226-3463

Cattle — Wednesday • Hogs and Sheep — Tuesday • Horses — First Friday

SELLER 76

DYLAN STEARNS

03/03/2020 PF 4651

HEAD	DESCRIPTION	COMMENTS	AVG WT	WGT	PRICE	AMOUNT	CODE	BUYER
19 Hd	BLACK	COW	1717	32625			136	LARSON LIVE
3 Hd	BLACK	COW	OH #4 & DW1352	4055			136	LARSON LIVE
0 Hd			0	0				UNASSIGNED
1 Hd	BLACK	COW	5254ED FRO1410	1410			129	AMERICAN FC
1 Hd	BLACK	COW	5252	1380			136	LARSON LIVE

39470

ALL TOTALS ARE FIGURED AS PART OF A 0.50% SPLIT

Trucking: GERMAN TRKG

12 Totals

19735

HAULING TOTAL

300.00

SPLIT

Yard-Cat
An Board

Insur.
Comm

Beef Pro
Deds

24.00

BrandIns
Net

REMEMBER TO KEEP YOUR RECEIPT FOR TAX PURPOSES !!
THANKS FOR YOUR BUSINESS !!!!



HUB CITY LIVESTOCK AUCTION, INC.

Box 1735 • Aberdeen, SD 57402-1735

Office: (605) 225-3273 • Residence: (605) 226-3463

Cattle — Wednesday • Hogs and Sheep — Tuesday • Horses — First Friday

SELLER 60

DYLAN STEARNS

02/25/2020 PF 4651

HEAD	DESCRIPTION	COMMENTS	AVG WT	WGT	PRICE	AMOUNT	CODE	BUYER
13 Hd	BLACK COW	OH #15 & 01685	21905				129	AMERICAN FO
2 Hd	BLACK COW	Sorted fr	1658	3315			122	AMERICAN FO

ALL TOTALS ARE FIGURED AS PART OF A 25220 0.50% SPLIT

Trucking: MIKE DINGER TRKG
8 Totals

HAULING TOTAL

180.00

SPLIT

12610

180.00

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REMEMBER TO KEEP YOUR RECEIPT FOR TAX PURPOSES !!
THANKS FOR YOUR BUSINESS !!!!

Dear Chairman Dennis Johnson And House Ag Committee members

I write in opposition to HB1478, My name is Gene Harris and I ranch with our family in Dunn county.

We currently pay the Beef checkoff and are firm believers in the ability to help ourselves with this program. I have a blood condition that most of the cutting edge research has come from Grand Forks and Dr. Fariba Roughhead . It is only with checkoff dollars that we are able to show the importance of iron in the diet and her research on humans is possible with this additional dollar we pay. This not only helps producers but every Human in America that eats. I believe when ND can be the leader in the world not just ND or America then we fulfill our mission as human beings to Leave things a little better than we found them. I ask you to vote no on HB 1478 for the betterment of us all.

Respectfully


Gene Harris

#5427

February 4, 2021

Dear North Dakota House Ag Committee,

As Ranchers in western North Dakota we would urge you **to vote yes on the House Bill 1487**, making the additional \$1 Beef Checkoff assessment on North Dakota cattle producers voluntary.

Sincerely,

Charles and Roberta Ramberg

White Earth, ND

I am writing in support of HB 1487.

The mandatory assessment puts an additional stress on the already struggling ranch sector. We don't need the added expense when prices are low and necessary costs are high and rising.

Promotion of the beef industry should be a personal choice. Each producer should have the choice to give financial support to the group they feel best promotes their vision and protects their interests. For most people, that is *not* the ND Beef Commission due to their affiliation with the National Cattleman's Beef Association, a group which yields to the pressure of the Big Packers and their foreign interests.

While we can appreciate the education aspect of the NDBC, the funneling of checkoff funds to the NCBA outweighs those benefits, and mandatory support of such a program is an infringement on our right to decide who represents our sector of agriculture on a state and national level.

Forced funding of a group which backs those who take advantage of us is wrong on every level. It's time to bring back the freedom of choice for North Dakota Cattlemen and Cattlewomen.

Vote YES on HB 1487.



U.S. Durum Growers Association

PROMOTING THE PRODUCTION AND MARKETING OF DURUM AND SEMOLINA

P.O. Box 1091 • Bismarck, ND 58502 • (701) 214-3203
office@durumgrowers.com • www.durumgrowers.com

Testimony of Steve Perdue

USDGA Director

February 5, 2021

Chairman Johnson and members of the Committee:

My name is Steve Perdue, and I am a farmer from Ray and serve as a director for the United States Durum Growers Association (USDGA). On behalf of USDGA, I am here to oppose HB 1487 as we see the value of the state's checkoff programs to producers and see the changes this bill provides as unnecessary.

USDGA has represented the nation's durum growers for more than 60 years. Today, we represent grower and industry members from 10 states, with North Dakota producing 50-60 percent of the nation's durum.

USDGA opposes HB 1487 as we see the important work done by the state's checkoff programs, including the beef checkoff, in promoting North Dakota's agriculture commodities, educating consumers on the products produced here in North Dakota and pursuing valuable research needed to ensure North Dakota's agriculture products can continue to compete on a global level. The producer-led efforts of these organizations are essential to the future of agriculture in North Dakota.

In addition, the state beef check off is currently 100 percent refundable making this bill unnecessary. Changing the collection procedures puts more burden on the 90 percent of producers wanting to support and promote their industry.

Thank you for the opportunity to address the committee and express opposition to HB 1487.

Opposition to HB1487

Chairman Johnson and Committee:

I am writing in opposition to HB 1487. Our family operation, Enger Grain and Livestock, runs a 1000-head cattle finishing operation and we are currently looking to expand it. The Beef Check-off has always been important to us. We believe in promoting our product and being a voice of support for our industry in the many challenges we continue to encounter. Diminishing our investment in the beef industry would not be in our best interest.

Thank you for your time.

North Dakota Soybean Growers Association

2/5/2021

Oppose 1487

Chairman Johnson and Committee; Thank you for the time today. My name is Kasey Bitz from LaMoure, ND and on our family farm we raise soybeans, corn, and wheat, are lamb producers and have a cow/calf operation. I also serve as a board member and treasurer for the North Dakota Soybean Growers Association.

I am here today to oppose House Bill 1487. As a diverse agriculture operator in North Dakota I understand how important check-off programs are. Producers of all sizes will need these check-off dollars to educate consumers, increase confidence in our products and drive demand for our products. Without mandatory check-off programs there would be no organized effort by farmers, for farmers, to return the investment of these check-off programs while increasing the value of our crops and livestock in North Dakota.

As a young and beginning farmer, I wear many hats including managing to have a full-time job away from the farm to help with the transition to the next generation on our family farm. I rely on support from check-off programs and extension to tell my story about my farm so I can dedicate any extra time to my daily tasks. I oppose House Bill 1487 as I also believe that changes to the beef check-off could lead to a slippery-slope of threatening the value and integrity of the check-off programs we have in-place today for all agriculture commodities. Thank you again and I stand for any questions.



**Testimony of Shannon Berndt
Northern Pulse Growers Association
HB 1487
February 5, 2021**

Good afternoon Chairman and members of the committee. For the record, my name is Shannon Berndt, and I am the executive director for the Northern Pulse Growers Association. The Northern Pulse Growers Association represents dry pea, lentil and chickpea growers and processors throughout North Dakota and Montana. On behalf of the pulse industry, I am here today to provide testimony in opposition to HB 1487.

The bill seeks to make changes to the beef check off that would be unnecessary. Currently all check off programs in North Dakota are voluntary, providing an option for producers to not participate by requesting a refund of the check off assessment. Some States have mandatory check off programs and provide no option for refund.

In the pulse industry the overwhelming majority of producers support funding the check off, as I am sure is the case with my fellow commodity groups. These producers understand the important role check off dollars play in funding research, education, and marketing efforts. Check off funds support important production research conducted at NDSU, UND and other facilities that directly impact all producers. Funds are also invested into domestic and international marketing programs which promote the high-quality agriculture products produced in North Dakota.

Producers that contribute their check off dollars understand that these programs contribute to the success of the industry and ultimately their farming operations. Without check off funds to provide these vital programs, it will be very difficult for North Dakota agriculture to remain competitive. For those that do not choose to make the same contributions as their fellow producers, there remains the option of refunding.

The Northern Pulse Growers Association opposes HB 1487 and hopes to ensure North Dakota continues to play a significant role in U.S. agriculture and the contributions made to markets around the world. Thank you.



P.O. Box 1091
Bismarck, ND 58502
(701) 355-4458
FAX (701) 223-4645

VOTING MEMBERS

Independent Beef Association of ND
Milk Producers Association of ND
Minn-Dak Farmers Cooperative
ND Ag Aviation Association
ND Agricultural Association
ND Ag Consultants
ND Agri-Women
ND Barley Council
ND Corn Growers Association
ND Corn Utilization Council
ND Crop Improvement & Seed Association
ND Dry Bean Council
ND Elk Growers
ND Ethanol Council
ND Farm Credit Council
ND Farmers Union
ND Grain Dealers Association
ND Grain Growers Association
ND Irrigation Association
ND Lamb & Wool Producers
ND Oilseed Council
ND Pork Council
ND Soybean Growers Association
ND State Soil Conservation Committee
ND Stockmen's Association
ND Wheat Commission
Northern Canola Growers Association
Northern Plains Potato Growers
Northern Pulse Growers Association
Northwest Landowners Association
Red River Valley Sugarbeet Growers
U.S. Durum Growers Association
Winery Association of ND

NON-VOTING MEMBERS

BNSF Railway, Inc.
Ellingson Companies
Garrison Diversion Conservancy District
ND Association of Ag Educators
ND Association of Soil Conservation Districts
ND Beef Commission
ND Department of Ag
ND Grazing Lands Coalition
ND Rural Water Systems Association
ND Soybean Council
ND State Seed Commission
NDSU Agricultural Affairs

#5561

**Testimony of Darrell Oswald
Chairman
North Dakota Ag Coalition
In Opposition of HB 1487**

Chairman Johnson and members of the House Agriculture Committee, my name is Darrell Oswald, and I am here today as the chairman of the North Dakota Ag Coalition in opposition to HB 1487. The Ag Coalition has provided a unified voice for North Dakota agricultural interests for over 35 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, our members seek to enhance the climate for North Dakota's agricultural producers.

The Ag Coalition takes a position on a limited number of issues, brought to us by our members, that have significant impact on North Dakota's agriculture industry. The Coalition has numerous concerns with HB 1487, which would alter the state beef checkoff collection process and hamper producers' beef promotion, research and education program.

First, this bill is unnecessary as producers not wanting to participate in the checkoff are already eligible for a 100 percent refund. Changing the collection procedures would put more burden on the 90 percent of producers who do want to support and promote the industry. It would also make the beef checkoff collection process different from all other commodity checkoffs.

Second, collections would likely decrease due to the extra effort it would take to collect the funds. This would decrease producer-driven research, education and promotion efforts, which are fundamental for sustaining and strengthening the agricultural industry in North Dakota. Specifically, it would be detrimental to the state's ag research programs. The state checkoff programs, like the beef checkoff, work closely with the state's research institutions to provide all producers, even those refunding, cutting-edge research. Specific to

beef, this research includes data on the value of beef in a healthy diet and food safety.

Finally, the state's checkoff programs, including the beef checkoff, partner with other producer-focused organizations to host educational events, community outreach and other impactful programs. The North Dakota Beef Commission partners extensively with NDSU extension on numerous projects in the areas of beef in a healthy diet, food safety and cooking methods. One example of this is the Beef Quality Assurance (BQA) program, which is a valuable educational program for producers that enhances the reputation and promotion of North Dakota beef by assuring the production of a consistently wholesome and healthy product. HB 1487 puts this program and numerous others in jeopardy.

Thank you for the opportunity to address the committee and for your continued commitment to working together to address the needs of North Dakota agriculture. I would urge a do not pass on HB 1487.

Dear N.D. House Agriculture Committee,

Please vote YES on HB 1487.

We are cattle producers and cattle feeders from Adams County, North Dakota.

We would like to see the state checkoff become voluntary rather than mandatory.

A significant amount of the state beef checkoff is sent on to NCBA's Federation of State Beef Councils. NCBA has worked against policies that would help cattle feeders such as ourselves. We often struggle to market our finished cattle. We are finding that NCBA promotes policies that encourage more vertical integration by pushing feeders like us to seek "formula agreements" with packers that reduce the number of cattle sold on the cash market. The result of the increased number of formula agreements is that the cash market is difficult if not impossible to decipher. So we are at the mercy of the packers when it comes to marketing our cattle, and, for example, this year, even when they packers claimed they were too full to slaughter US cattle because of COVID, they imported more cattle in 2020 than they did in 2019.

NCBA has supported the policies that have made this happen, and they have opposed policies such as a proposed strengthening of the Grain Inspection, Packers and Stockyards Act (GIPSA) which would have tightened up USDA's anti-trust oversight, in order to try to put more control in the hands of the cattle producers and less in the hands of the packers.

Because the ND state beef checkoff has funded NCBA, and because I did not get to vote on the state checkoff in 2015, I urge you to please vote YES on HB 1487 which makes this program voluntary instead of mandatory.

Thank you,

Kevin and Lynette Symanowski

My name is Mike Heaton from McKenzie ND.

I am here today to lend support for HB 1487.

Mandatory checkoff collections began in October of 1986, with a referendum on it scheduled 18 months later. The referendum passed with a seventy nine percent (79%) yes vote, but the rest of the story is there was approximately 1 million eligible voters at the time and only 256,505 voted. Of those, 202,408 voted yes, so actually just twenty percent (20%) of all cattle producers approved of the checkoff in 1988.

We are in our 35th year of collections of this checkoff, and a major accomplishment of this program is that the per capita consumption of beef went from 79 lbs. in 1985 to 58 lbs. today. What a success story!

In 2015 when we were saddled with yet another dollar checkoff, we were told right here in this committee that the Return on Investment (ROI) of the checkoff was \$11.20 for every dollar invested. Now a new study shows where the ROI is at \$11.91. The dirty little secret here is that only the \$.50 that the CBB administers is in this study. Only 1 of every four dollars spent in North Dakota (ND) is accounted for, making that study not worth the ink that was used to print it. A few days ago, the Executive Director of the Beef Commission in an interview stated a \$340 per head value was added in the export market. May well be true, but once the carcass is in the export market it is no longer owned within the cattle industry. It is now packer owned and this \$340 does not trickle back to us. Secondly, are the adverse effects from the imports factored in? Those of us making the investment are not the ones receiving the benefits. (Exhibit A)

I have here a USDA chart showing the producer's share of consumer's beef dollars. In 2015 our share of consumer dollar was at 55%, today it is 38%, another success story.

At the local markets, our cattle are selling for roughly 50% of what they did six years ago. So when the Beef Commission in its fiscal note predicts a 50% reduction in collections with the passage of this bill. All I can say is welcome to the world of commodities. Also, six years ago in this committee I and others pointed out the vast amounts of checkoff dollars that were sent out of state to the Federation (a non-legal entity). According to the Federation website North Dakota contributions to this non-legal entity went from \$142,906.00 in 2015 to \$738,648.00 in 2020. Even after being warned by this committee to use North Dakota collections in North Dakota.

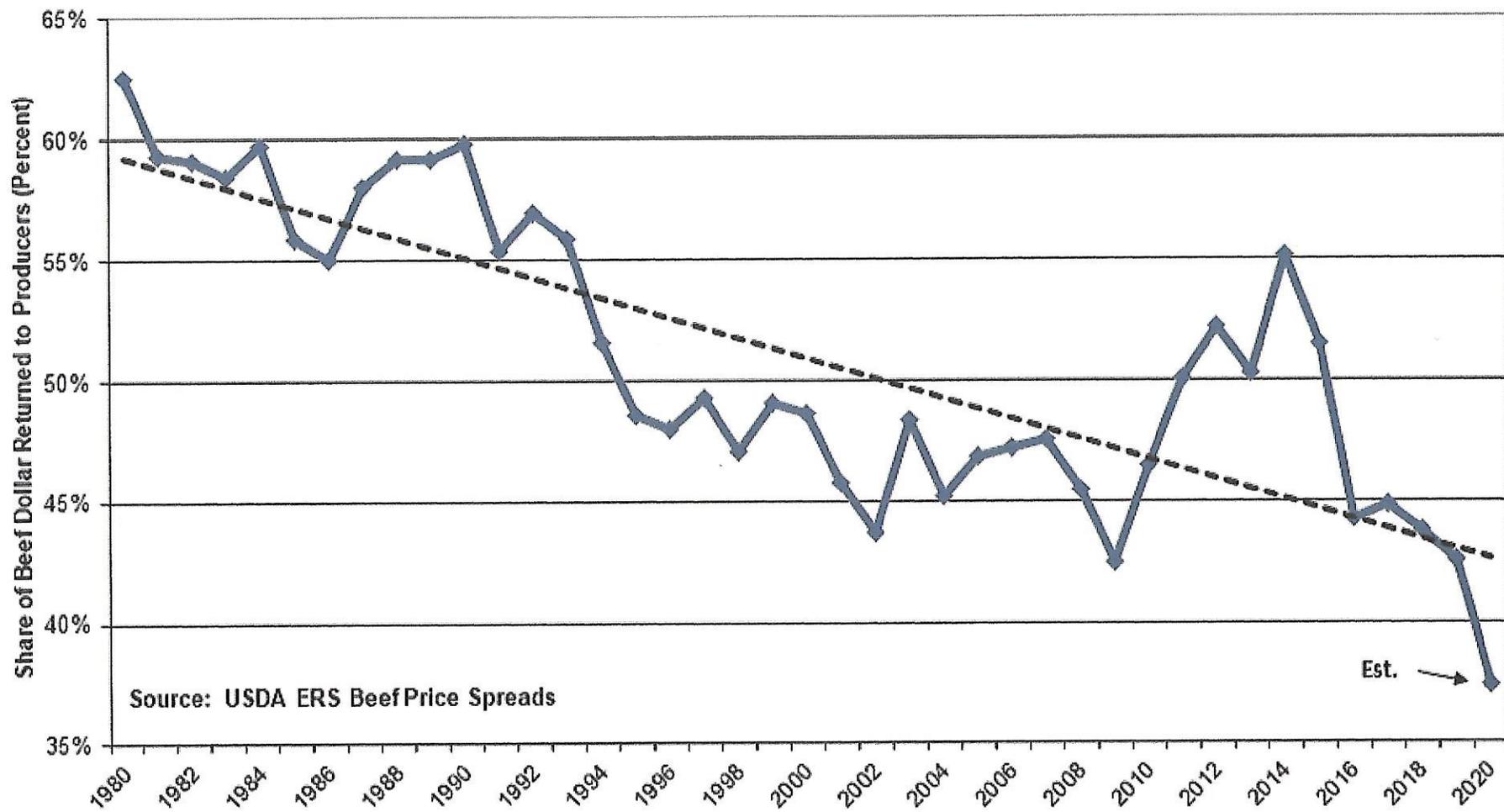
The one bright spot is the 2015 bill allowed for a refund; well a sixty day refund any way. So, in order to get a refund, applications need to be made every 60 days if sales are made in that time frame. My wife and I own cattle together. We both sign our operating note together each year. She and I are both listed as owners of the brand on these cattle; but if the cattle are consigned at the sale barn in my name, the co-owner and ranch bookkeeper cannot even request the refund form. That process is hardly user friendly.

My son, who ranches with me, whose cattle are co-mingled with mine at all times also has to make a refund form request separately. I believe the refund process is more difficult than necessary with the Beef Commission being Rule Maker, Judge, and Jury.

Anything less than a voluntary system is quite simply an injustice to those of us paying the tax.

Producers' Share of Consumers' Beef Dollar

With Trendline (Black Dashed Line)



Source: USDA ERS Beef Price Spreads

Est. →

Mr Chairman and members of the committee,

My name is Travis Anderson and I'm from Warwick North Dakota, I'd like to start my testimony by telling you a story about my experience with the checkoff.

Several years ago I sold some cattle to someone in South Dakota by private sale. Over a year later I got a notice from the North Dakota beef commission stating I owed them 4 dollars a head for my cattle that I had sold, 2 dollars for the federal side and 2 dollars for the state. I had thought that they were included in my sale but I must have been mistaken. I don't always agree with the checkoff and I knew that I was entitled to my 2 dollars a head from the state so I called the commission and stated to them that I don't agree with how they are using my tax dollars. I proposed a compromise that I give them the fed dollars and leave out the state dollars because I can already request a refund from the state. They replied to me that I only have 60 days to file that. I replied to them so that we were clear, they can come assess me over a year later after I made a sale, but if I want to file for my refund I have to do it within 60 days, and hope I get it done on time. I had no choice but to eat the cost and just pay the fee.

I ask the members of the Committee.

Is this fair?

If they make a clerical error a year prior and they get to collect from me, but if I make the same error and I still only have 20 days to comply

I am not totally against the checkoff but believe every producer should get a vote on it. When the extra dollar was put on, we were at the highest beef prices that producers ever got. We've seen prices drop much lower for the last 5 to 6 years despite having a checkoff that is supposed to work in our interest. What are those dollars doing for us right now? If I'm paying into a system that isn't showing me results right now when I need it most, I feel it is only fair to vote with my wallet and not pay into it.

I urge you all to support this bill because it gives me a choice.

Sincerely,

Travis Anderson

Beef Checkoff HB1487

Chairman Johnson, members of the committee,

My name is Sam Wagner and I am here today to represent the Dakota Resource Council. DRC has more than 650 members statewide and was founded in the 1970s to promote sustainable use of North Dakota's natural resources and family-owned and operated agriculture. We also take an active role in advocating for our rancher members interests and advocate for practices that would improve the quality of life for them and their enterprises.

We're testifying in favor of HB1487. The checkoff has some upsides, don't get us wrong, and membership has expressed to me on multiple occasions that this issue is complicated. "Beef, It's what's for dinner" is one of the most recognized slogans in America. After talking to our rancher members we feel that the beef checkoff should be a voluntary program for ranchers because frankly speaking, it's all about choice.

Currently ranchers are guaranteed that they can get a refund on their checkoff dollars, but this process is outdated and tedious.

First to get refunded a rancher must ask the paperwork less than 60 days after the checkoff was collected. Ranchers can request by phone, in person or via email. After they receive the ranchers request the office managing the checkoff will send the rancher a uniquely numbered refund application that must be filled out and returned within 90 days. If cattle are owned by multiple ranchers and sold, it needs to be determined who owns what cattle and each individual needs to request their checkoff dollars back individually. After all of that is processed and sorted, then, and only then, you will get your money back. This is cumbersome and HB1487 would simplify everything at the point of sale. If you don't want to pay your checkoff dollars you don't have to. If you want to talk about devising an easier way to get your checkoff dollars back, DRC would gladly offer suggestions from our membership.

This bill is ultimately about freedom. Some of our members would argue that the beef checkoff isn't always representing ranching interests. According to the National Cattlemen's Beef Association's (NCBA) 2015 IRS Form 990, beef checkoff funds made up approximately 73% of the lobbying group's total annual budget. As much as 72% of the NCBA president's nearly half a million dollar salary comes from beef checkoff funds. NCBA membership accounts for less than 4% of cattle producers. They do good marketing as I stated earlier, but not everyone is convinced that is enough to justify paying into it. If ranchers feel that they are receiving tangible benefits from this system then they can pay into the checkoff. But if they feel the NCBA is using this to serve the packing industry and not the producers, they should be able to make that decision as well. Ranchers need to be given a choice at the point of sale, not be forced to pay and then fill out countless applications to get their money back.

I urge a DO PASS recommendation for HB1487 and I stand for questions.

House Bill 1487
February 4, 2021

Mr. Chairman, I stand in support of House Bill 1487. I believe that the consumer not only needs transparency in their beef choices but should demand it. Everything the consumer buys is labeled, so should our beef product. The beef checkoff was designed to advertise American beef. Now, we are not sure if it is American beef or not.

Sincerely,
Jackie Brokaw

Feb.4 2021

#5579

House Bill 1487

Dear Mr. Chairman, I stand in support of House Bill 1487. The original intent of the beef checkoff program was to promote American beef. Now, the consumer is not sure if it truly American beef. We need truth in labeling. So, the original intent of the checkoff program has lost its purpose.

Sincerely,
Kevin Brokaw

#5587

February 4, 2021

Members of the House Agricultural committee I'd ask for a do not pass on HB 1487.

Barton Schott

HB 1487
Relating to the Beef Checkoff.

Testimony Provided: In Opposition to HB 1487

Testimony **in Opposition** to HB 1487 presented to the
House Agriculture Committee on Feb. 5, 2021

Greetings Mr. Chairman and members of the House Agriculture Committee.

My name is Joy Patten. I am a cow-calf producer and president of the North Dakota CattleWomen. I stand opposed to HB 1487.

As a producer, I have always supported both the national and North Dakota beef checkoff programs. Checkoff dollars serve to accomplish advocacy, research, and promotion goals that producers, individually, cannot.

As president of the North Dakota CattleWomen, I see the direct results of beef checkoff projects. Our organization of volunteers works statewide to promote and educate about beef. The access to materials that are research based, up to date, and high quality is critical to our success as we carry out our beef advocacy activities, which benefit ALL beef producers.

I am opposed to HB 1487 because of the following:

- If passed, this bill would make assessment/collection of checkoff dollars from producers who wish to support the ND checkoff a miserable, inconsistent, and time consuming process.
- The loss of checkoff funds would be crippling for most, if not all, current and future checkoff funded projects.
- This bill does not represent the wishes of a vast majority of beef producers in North Dakota.
- The law currently in place is consistent with other commodity checkoff programs in North Dakota. Those who don't support the checkoff can easily request a refund under current statute.

I strongly urge you to vote DO NOT PASS on HB 1487.

Sincerely,

Joy Patten
PO Box 812
Watford City, ND 58854
701-570-5979

#5590

House Bill 1487

I stand in support of House Bill 1487. I believe the beef check-off dollars should be used to promote true USA beef (born, raised, harvested in the US).

The way it is now, our check-off dollars are supporting imported beef and not being truthful to consumers who want to choose where their beef comes from. It is going against our fellow, hardworking American Ranchers.

Brent Grueneich
Ellendale, ND

House Bill 1487

I stand in support of House Bill 1487. I believe the beef check-off dollars should be used to promote true USA beef (born, raised, harvested in the US) and I don't feel that the dollars are going towards that cause the way it is now.

Crystal Grueneich
Ellendale, ND

Chairman Johnson, committee members my name is Gabe Thompson from Antler ND. I am here today testifying in opposition to HB 1487. I am honored to be a part of our representative form of govt choosing to be involved and represent my views regarding this bill here today.

As most of the slate of legislative sponsors of this bill have little or no experience or involvement in the cattle industry, my guess is they have been persuaded to lend their names to this bill thru a sense of conservatism resulting from phrases like "taxation without representation".

As a lifelong rancher who has invested in our industry thru the Beef Check Off almost since its inception and someone who was privileged to be elected to represent area cattle producers on the board of directors of the NDSA and then nominated and appointed to represent our states cattle producers on the NDBC, I can assure you any portrayal of the Beef Check Off being without representation is a disingenuous one.

Every rancher in the state has the opportunity to join the various orgs that nominate people to the NDBC. Every rancher in the state has the ability to volunteer their own name thru these orgs to be considered and appointed to the NDBC. Every rancher in the state has the ability to share their support or opposition to the appointments to the governor's office. Every rancher in the state can speak directly with the producer members of the NDBC board that are their friends and neighbors as to how funds are invested. And finally, every rancher in this state can bring good ideas to the NDBC board and present the facts and data behind them to be considered for funding.

The State portion of the Beef Check Off funds is 100% controlled by the NDBC. EVERY rancher in this state has the ability to have input into how it is invested.

We are represented if we CHOOSE to be.

With the new administration and people, we have now seen put in place, the ability to properly fund research and data and the science that will be our defense against agenda driven regulation is more important than ever. With the placing of extreme vegan climate change activists like Sen Booker on the Senate Ag Commission, bills targeting feedlots and ranching practices will be given a pathway to passage. And something as simple as a dollar per head investment can play a huge role combating that as we have seen. A few years back The United Nations targeted the livestock industry for their accused role in climate change under the report Livestock's Long Shadow claiming livestock contributed more greenhouse gas emissions than all the combustible engines in the world.

One researcher, Dr Frank Millowner, armed with actual real science funded in part with the Beef Check Off dollars used that research and data to PROVE the UN report was flawed and FORCED them to admit it had been manipulated and the result was the retraction of the report. Stop and think about that for a moment. A portion of one dollar paid by a rancher from Antler ND and others across the state of ND combined with others across the nation played a role in forcing a global entity like the United Nations to retract false claims that were targeted at our industry and our producers here in our state.

Now more than ever we will see the need for ALL of us to stand up and invest in our industry.

The state portion of the Beef Check Off has a refund option that is simple and easy.....about 10% of producers here in the state choose that option....to change the statute that 90% of producers support to a voluntary program that would require a change in the process of collection across multiple states where

ND cattle are sold to satisfy a small portion of our states producers who already have the option to get back their funds if they choose, is the wrong path to take.

In closing I am reminded of the parable of the little red hen. No one volunteered to help her plant her wheat. No one volunteered to help her harvest her wheat. No one volunteered to help her grind her wheat into flour.....but they all wanted a part of the end result

I would encourage a no vote on this bill to make the Check Off voluntary.

I thank you for the opportunity to speak here today and would answer any questions you might have.



BECKER RANCH
Pat Becker - Monte Becker - Jarrod Becker
8950 - 27th Avenue
Selfridge, ND 58568-9554



#5596

To: House Ag Committee

HB 1487

I Support HB 1487

My name is Patrick Lee Becker I am a farmer/rancher from Sioux County since 1974. I also represented North Dakota on the Cattlemen's Beef Board for six years.

I was at the hearing in 2015 on the additional \$1.00 checkoff. I was in favor of letting the producers vote up or down on the \$1.00 increase that is why I was there.

I remember in 2015 some AG Committee members stressing how this money should stay in North Dakota that day and be used for promotion, research and education in state. 2.3 million dollars sent to the NCBA over five years is not my idea of used in North Dakota

I remember in in 2015 producers numbered near 10,000, today they are numbered at less than 8,500. Losing \$50.00 per head per year for the five years since the additional \$1.00 has been in place is certainly no endorsement for th.is, if anything it's a reason to re-evaluate. I hope it leads to an acknowledgement by the AG Committee that things need to be re-evaluated.

I remember when we had M-COOL the opponents of M-COOL stated we do not need the government mandating M-COOL to our industry. The M-COOL opponents are the same one's that pushed the government to mandate the additional \$1.00 checkoff here in North Dakota. This smack of hypocrisy.

In closing if money is sent out of state by the NDBC every cent should go to the CBB. There is a paper trail and administrative fees are capped at 5% which is accountable in every way. Money sent to the Federation/NCBA has no oversight and I witnessed administration fees as high as 30%. This is in direct violation of the checkoff act and order.

Eliminate this cumbersome checkoff refund process and make it voluntary.

Thank you for your service.

HB 1487

Chairman Johnson and members of the House Agriculture Committee,

I am Kenny Graner. I own and operate a ranch South of Mandan, ND.

I am testifying in support of HB 1487.

The North Dakota State Checkoff was passed in 2015 under the premise of supporting North Dakota ranchers and promoting North Dakota Beef.

Since the time of its inception over the past 5+ years, the North Dakota Beef Commission (NDBC) has sent \$2,300,000.00 (**\$2.3 MILLION DOLLARS**) to the National Cattlemen's Beef Association (NCBA). NCBA receives over \$10,000,000.00 (**\$10 MILLION DOLLARS**) from 43 State Beef Councils per year. Ranchers are upset with the fact there is no clear oversight of these funds. I have personally asked Nancy Jo Bateman of the North Dakota Beef Commission for transparent records as to where these funds have been spent. Ms. Bateman said, "it is too difficult to obtain information back from NCBA because all the qualified state beef councils funds are lumped together." I find it hard to believe there is no documentation because the federal side of our Beef Checkoff is transparent and all funds are traceable, documented and accounted for.

Below is what I could find:

2015: **ND Legislature taxed the ranchers an additional \$1.00 per head of cattle sold.** During the hearings, those in support of the new "voluntary" checkoff testified that the money would stay in the state of North Dakota. That same year, the NDBC submitted \$142,906 to NCBA. Also in that same year, NCBA and the meat packing industry killed Country of Origin Labeling (COOL). This means any imported beef can be labeled as a "Product of the US."

2016: NDBC submitted \$217,445 to NCBA.

2017: NDBC submitted \$385,266. In the Spring of 2017, I testified in front of the International Trade Commission in Washington, DC, that our cattle industry is "time sensitive" and our industry needs safeguards put into place because our product is perishable and cyclical.....meaning, "market ready cattle" need to be sold in a short time frame. Imports come in during our cattle harvest times and take up space at the packing plants and feedlots which in turn, drives down our domestic (U.S.) price. **NCBA opposed any safeguards in USMCA (US, Mexico, Canada) trade deal.** I also testified that we could have re instituted a new truth in labeling rule. **NCBA also opposed truth in labeling.**

2018: NDBC submitted \$334,315 to NCBA.

2019: NDBC submitted \$501,703 to NCBA.

2020: **NDBC DELIVERED \$738,648.00 TO NCBA!!!!** This is a **staggering** amount of money from North Dakota cattle producers being sent to an organization that does not represent the values of North Dakota Ranchers!!!!

In 2020, Mandatory Price Reporting was up for reauthorization (occurs every 5 years). This was a perfect opportunity to establish an increased 50% mandate on negotiated cash sales. **Guess who came out in opposition? NCBA!!!** Increasing the negotiated cash sales would have had a positive effect on the fat cattle market for US cattle producers.

NDBC has testified that they have 70% support of the North Dakota Beef Checkoff. If that is truly the case, then those 70% will continue to pay into the Checkoff. It will be very simple to check a box at the point of sale when the producers sell the cattle. Initially, the new voluntary state beef checkoff was sold to us as a "Voluntary Checkoff." **There is NOTHING "voluntary" when it is automatically deducted from your check!** The paperwork to obtain a refund has been difficult and cumbersome. The NDBC will save money by allowing the producer to make the choice of contributing to the ND Beef Checkoff at the point of sale. This will reduce paperwork and expense for NDBC by eliminating the refund process.

All other North Dakota commodity checkoffs invest in production research within the state of North Dakota. **The North Dakota State Beef Checkoff does NOT.** It ends up in the hands of NCBA which doesn't support North Dakota cattle producers nor U.S. cattle producers.

I would also like to question whether it is *legal* for any North Dakota Beef Checkoff staff member to submit ANY testimony, including neutral, under the 1985 Beef Act and Order. Please see Section 5 Subsection 10 of the 1985 Beef Act and Order:

1985 Beef Act and Order

REQUIREMENTS IN ORDERS

Sec. 5. An order issued under section 4(b) shall contain in the following terms and conditions:

*(10) The order shall prohibit any funds collected by the Board under the order from being used **in any manner** for the purpose of influencing governmental action or policy, with the exception of recommending amendments to the order.*

In summary, our State Checkoff is supporting NCBA which doesn't support North Dakota cattle producers nor U.S. cattle producers!!!

(I would also like to suggest that the North Dakota Beef Commission Board be an elected position rather than appointed members as that would allow ALL producers a chance to be part of their checkoff.)

Please support HB 1487!

Kenny Graner

701-319-4328

5355 Highway 1806

Huff, ND 58554

#5605

My name is Dylan Stearns from Ludden, North Dakota. I am a fifth generation cattle producer that is asking for a YES vote on HB1487. I feel that the North Dakota Beef Checkoff Board is not using the funds wisely. I feel the beef board should be like the South Dakota Checkoff Board is constructed of members that belong to over ten different associations who can better serve a variety of producers which is only a dollar per head. Withholding the extra dollar it does not represent what the North Dakota Beef Producers believe in. I know members of the South Dakota Checkoff Board feel as if their funds are not properly being used at the national level, therefore the State of North Dakota should return to a \$1 checkoff. If producers believe that more recognition needs to come from the state and national level, they can voluntarily give an additional dollar. I have included the supporting documents that we have to provide each time that we sell an animal to request our dollar back. My wife has power of attorney for me, but she can't request or speak on my behalf to request forms for the beef checkoff refund. Thank you for your time and serving the state of North Dakota.

Dylan Stearns

Dear House Ag Committee Members,

Please vote "yes" on HB 1487.

Please remember, that a vote "yes" does not kill the state checkoff, it simply allows each of us to choose whether or not we support the message of the North Dakota Beef Commission. Maybe those who do support it want to give more than \$1 head. They are free to do so.

As a producer we should be able to vote where we want our hard earned money to go towards. In my opinion the state checkoff is not going to the right places to help support producers like myself. If the \$1 checkoff was going towards COOL then I would be in favor of it.

Cattle buyers and people that feed calves say how good of quality the cattle from North Dakota are so why not promote our own producers by funding a COOL program.

Thank you for voting "yes" on HB 1487

#5615

My name is Jodi Carlson. I am a rancher from Killdeer, N.D. I stand opposed to HB 1487. I plan to testify virtually.

ND House Ag Committee:

My name is Ron Volk and I ranch with my kids South of Sentinel Butte. I am urging you to vote yes on HB 1487. Changing this additional one dollar (\$1) ND beef checkoff to voluntary is the right thing to do for ND Cattlemen. This extra one dollar (\$1) was put into law in 2015 by the ND Legislature; in my opinion it should have been put to a vote of producers, as we are the ones who must pay it. One provision the legislature put on the ND beef commission for the \$1 was for the money to stay in the state, yet the ND beef commission has increased its contributions to the National Beef Federation from \$142,906 in 2015 to \$738,648 in 2020, hardly benefiting the ND producers. Since 2015, calf prices have been cut in half; yet we are expected to pay a tax then jump through hoops to get it refunded. Making this state checkoff voluntary is the only fair way to undo a bad mandate set forth in 2015. Again, I urge you to vote yes to HB 1487.

Thank you for your consideration.

Ron Volk



**North Dakota Grain Growers Association
Testimony in Opposition to HB 1487
House Agriculture Committee
February 5, 2021**

Chairman Johnson, members of the House Agriculture Committee, for the record my name is Dan Wogsland, Executive Director of the North Dakota Grain Growers Association (NDGGA). NDGGA, through our contracts with the North Dakota Wheat Commission and the North Dakota Barley Council, engage in domestic policy issues on the state and federal level on behalf of North Dakota wheat and barley farmers. I am providing testimony for you today on behalf of NDGGA in opposition to HB 1487.

For decades North Dakota commodity checkoffs have operated effectively and efficiently to promote North Dakota agricultural products to the U.S. and to the world. Additionally, they have contributed to the research and development of North Dakota commodities; for example, it is reported that for the 2019-2021 biennium North Dakota commodity groups contributed over \$11 million in ag research. HB 1487 seeks to gut that very important contribution to our state's number one industry and to negatively impact every producer in North Dakota.

Chairman Johnson, members of the House Agriculture Committee, HB 1487 is an unnecessary, unwarranted piece of legislation that will undermine not only the efforts of the North Dakota Beef Commission but could potentially undermine every commodity group effort in this state. That to the North Dakota Grain Growers Association is unacceptable.

Commodity groups, for the most part, enjoy a 90+ percentage support from farmers and ranchers; all of us would feel very good about a 90 percent approval rating. For those who do not support commodity group efforts there are provisions for non-supporters to refund their contributions. In very few assessments in this state and others is that possible. Additionally, refunders still benefit from commodity group promotion and research efforts despite refusing to help with the cost.

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HB 1487 would complicate the checkoff collection process, would make commodity organization budgeting impossible and would potentially turn commodity group efforts into self-promotion for survival instead of a focus of product promotion and research. That would negatively impact every producer as well as the economy of North Dakota.

Chairman Johnson, members of the House Agriculture Committee, it is very unfortunate that the concept contained in HB 1487 has once again come before this Committee and this Assembly. Virtually nowhere else in state government, except in the commodity checkoff world, can you disagree with how an assessment is spent, refund your specific contribution, and yet reap the benefits of the hard work put in by the specific entity.

Therefore the North Dakota Grain Growers Association would respectfully request that the House Agriculture Committee give HB 1487 a Do Not Pass recommendation and would urge the full House concur.



Testimony of Clark Price
On behalf of the North Dakota Corn Growers Association
February 5, 2021
In Opposition of HB 1487

Good morning Chairman Johnson and members of the House Agriculture Committee. My name is Clark Price, and I am the vice-chairman for the North Dakota Corn Growers Association and a farmer and rancher from Washburn, ND.

In full disclosure I also serve on the North Dakota Beef Commission as an ex-officio (non-voting) member as well as the federation of state beef councils beef promotion operating committee which allocates the national beef checkoff to contractors for research, promotion, education and communication. But please know that I am here today as producer of crops and livestock as well as a representative of North Dakota Corn Growers association, not representing any part of the beef check off.

I'm speaking in opposition today to HB 1487. The beef check-off is a bargain, with a tremendous return on investment. The promotion, research, education, market development and exports funded by our states commodity check offs make tremendous strides in advancing our state's ag products. These self-promotion programs are essential to promoting the products that we produce.

We couldn't do the things that need to be done on an individual basis, we have to work collaboratively to accomplish the things that our industry's need. They are efficiently administered and provide our producers with more "bang for your buck," than every man for themselves.

All the state checkoffs are refundable upon request, so essentially this already makes them voluntary. Even those who get refunds are greatly benefiting from the check-off investments. It's a windfall for them because the results are a stronger market for their products, increased exports, research results that make them more profitable, and the list goes on and on. I ask for your "do not pass" vote and am happy to answer any questions. Thank you.

Testimony of Kyle Speich

February 5, 2021

In Opposition of HB 1487

Chairman Johnson and members of the House Agriculture Committee. My name is Kyle Speich, and I am from a Multi-Generation Family Farm & Ranch in Milnor, ND, currently farming with my Father and Brother, and I hope we can continue to pass it on to multiple generations.

Part of keeping our ranch sustainable and being able to pass it down to the next generation, is the Beef-Checkoff, and I am speaking in opposition of HB 1487. The Beef Check-Off is a small investment that helps PROMOTE, EDUCATE, RESEARCH, CREATE MARKET DEVELOPMENT, and EXPORT ND Beef. Animal agriculture is facing an up-hill battle with each generation getting farther and farther removed from it, we need all the help we can get, and need to stay unified to stay sustainable.

If we lose the Beef Check-Off, we lose a big voice pushing for animal ag in ND, because individually we do not have the time or resources to do what Beef Check-Off does. I urge producers to get involved in Commodity Groups to see firsthand what they are about and to see what the good that comes from your check-off dollar.

I ask for your "do not pass" vote. Thank You.

Chairman Johnson and Committee:

I am writing in opposition to HB 1487. Our family operation, Enger Grain and Livestock, runs a 1000-head cattle finishing operation and we are currently looking to expand it.

The Beef Check-off has always been important to us. We believe in promoting our product and being a voice of support for our industry in the many challenges we continue to encounter.

Diminishing our investment in the beef industry would not be in our best interest.

Thank you for your time.

Jeff Enger
10046 44th St SE
Marion ND 58466-9628
(701) 320-0628
jvkenger@drtel.net

Dear House Ag Committee Members,

Please vote "yes" on HB 1487.

Please remember, that a vote "yes" does not kill the state checkoff, it simply allows each of us to choose whether or not we support the message of the North Dakota Beef Commission. Maybe those who do support it want to give more than \$1 head. They are free to do so.

I am a fourth generation rancher and so is my wife. We raise cattle and sheep in southwestern North Dakota. We are proud to call ourselves North Dakota livestock producers. We have six children and would love for one or more of our children to have the opportunity to make a living on the ranch as we have done. We believe the ag industry is the backbone of this state and that the livestock industry, along with crop farming is the backbone of our home community. Without independent farmers and ranchers paying taxes, supporting local businesses, contributing to community functions and raising families that will go to work, our local communities will shrivel up and wither away.

We rely on the income from our calves, lambs and wool as our main source of income. We do not raise cash crops.

Mandatory country of origin labeling for beef was implemented in 2009.

In 2015, we sold the highest priced calves we have ever sold. They were worth about \$1,500 per head. Demand for USA beef was strong.

Mandatory country of origin labeling for beef was repealed in December of 2015. Our calves sold for \$1,050 in 2016, \$840 per head 2017, \$1,100 per head in 2018, \$1,000 per head in 2019 and \$1,050 per head 2020. As you can see, we have never recovered to 2014-2015 levels and it doesn't look like we will without Mandatory Country of Origin Labeling.

Why does Mandatory COOL matter? The United States is now the second largest beef importing country in the world, following closely behind China. Sadly, US producers are capable of producing more beef, but in a race to bottom, it has become a contest where the cheapest producer wins. The USDA census reports that since 2000, North Dakota cattle producers have dropped from about 13,000 to about 8,200.

In 2013, the United States imported about 2.2 billion pounds of beef; by 2020, the United States imported about 3.1 billion pounds of beef. And that was in a year when cattle feeders all over the country, including many in North Dakota, were forced to overfeed their cattle and sell them at a loss because they were denied access to cattle slaughter plants.

My wife and I are graduates of ag universities. We understand and implement modern technologies to stay efficient and competitive with our neighbors. What we can't do, however, is compete, at a price level, with Brazil, Argentina, Namibia, and other countries with lower standards of living, lower animal health standards and a lower tax burden. Until we can promote our own North Dakota, USA-born, raised and processed cattle and beef, the generic beef checkoff will not help USA cattle producers.

The National Cattlemen's Beef Association, a national organization representing packers, cattle feeders, cattle producers and others helped convince Congress to repeal Mandatory Country of Origin Labeling in 2015. Last year the ND Beef Commission voluntarily sent over \$738,000 to NCBA. There is no way of knowing how much of this money was used to fund projects and how much was used for administrative costs. Yes, they sent almost three quarters of a million dollars of North Dakota money to the organization who helped kill MCOOL and has also stood in the way of other common sense legislation that would have helped cattle producers such as more stringent enforcement of the Packers and Stockyards Act to limit control of the nation's four big meatpackers.

Please be aware that this money sent to NCBA is IN ADDITION TO the required portion of the federal checkoff dollar which is sent to NCBA's sister organization – the Cattlemen's Beef Board. North Dakota also sent about \$563,000 to that organization. To clarify – those moneys (the \$563,000 to the CBB) must be remitted based on federal law, but the \$738,000 was a totally voluntary decision of the ND Beef Commission. This NCBA committee then went on to award NCBA \$27 million in beef checkoff contracts for 2020. In 2010, this NCBA committee reported using close to 20 percent or almost \$2 million of contributed funds for implementation costs, in other words, that was NCBA's take just out of the Federation side of the funds. In 2020, the implementation costs are not clearly visible on their expense sheet, but it is clear that only about half of the funds are used for their intended purpose – promotion, research and education of beef.

Why are we paying NCBA employees in Colorado to promote and research beef when we could hire someone in our great state of North Dakota to do these very same things? Probably at a fraction of the price.

I'm sure you have heard the argument that there are firewalls that prevent NCBA from spending this money on lobbying. I'm sure you have heard the argument that the cattle market is just struggling right now because of COVID.

USDA audits have revealed multiple instances of NCBA misusing checkoff funds including paying for unauthorized posh trips for family members and many other inappropriate uses of the funds. As for the COVID argument, if you take a look at the value of my calves in recent years, you will see that the cattle market has struggled for years, due in large part to the essential monopoly the beef packers have created which is forcing vertical integration in the cattle industry.

USDA reports around 8,200 cattle producers in North Dakota. Of those producers, 0 had the option to vote on this checkoff.

Please allow us to choose where to spend our money when it comes to marketing.

- * The North Dakota state beef checkoff has not improved the cattle market.
- * The North Dakota state beef checkoff has not stimulated the North Dakota economy. Rather than hiring a North Dakota marketing expert- NCBA employees in Colorado are paid to manage promotion, marketing and more.
- * The North Dakota state beef checkoff was not voted on by the producers who pay it.
- * The North Dakota state beef checkoff has financed NCBA (the organization that lobbied to kill Mandatory Country of Origin Labeling) to the tune of millions of dollars.
- * The beef checkoff is not addressing the problems facing today's cattle ranchers.
- * To my knowledge, the North Dakota state beef checkoff has not promoted specifically North Dakota beef or funded projects to differentiate North Dakota beef from generic beef.

We have a mandatory federal beef checkoff to promote generic beef, we don't need a state checkoff to do more of the same.

A vote "yes" on HB 1487 is a vote for the future of North Dakota's cattle industry. Those who agree with the message of the North Dakota Beef Commission are welcome to support it with \$1 per head, or more if they choose.

Jeremy Stadheim

#5706

Chairman and Committee members,

I support 1487. I ranch in Southwest Adams County. Promotion of our beef is important to me and my fellow producers , but to use our dollars to promote foreign products is disgusting. It is a slap in the face to the consumer and producer alike.

I feel these dollars should stay in North Dakota and promote our product. A slaughter facility, labeling ND beef built with checkoff dollars would be an example of promoting a product from pasture to table right here in North Dakota.

Please vote YES on HB 1487.

Thank you,

Jamie Enerson

Dear North Dakota House Agriculture Committee,

I urge a "yes" vote on HB 1487.

I am a farmer and rancher from rural Bucyrus, North Dakota.

I did not get the opportunity to vote on the state beef checkoff when it was implemented in 2015. While some checkoff supporters may tell you this is already a voluntary checkoff, that is not the case. It is mandatory, and most of my neighbors are not even aware of the fact that they have the option of requesting their money back.

I have not seen the ND state beef checkoff promote North Dakota beef and I have not seen research projects that will help my operation.

While the concept sounds nice, the reality is that too much of the funding gets caught up in red tape along the way, rather than helping North Dakota ranchers and the North Dakota economy. I would prefer a voluntary approach, which I believe would give the overseers of the checkoff more incentive to be accountable to those who are paying the bill.

Cattle prices have done nothing but decline since this checkoff was implemented and I have not seen any programs this checkoff has funded that will help me as a North Dakota producer. They are geared toward selling generic beef, which is increasingly being imported from 20 different countries.

Please vote yes on HB 1487 so that North Dakota producers can vote with our dollars.

Thank you,

Jon Markegard

Dear N.D. House Agriculture Committee,

Please vote YES on HB 1487.

We are cattle producers and cattle feeders from Adams County, North Dakota.

We would like to see the state checkoff become voluntary rather than mandatory.

A significant amount of the state beef checkoff is sent on to NCBA's Federation of State Beef Councils. NCBA has worked against policies that would help cattle feeders such as ourselves. We often struggle to market our finished cattle. We are finding that NCBA promotes policies that encourage more vertical integration by pushing feeders like us to seek "formula agreements" with packers that reduce the number of cattle sold on the cash market. The result of the increased number of formula agreements is that the cash market is difficult if not impossible to decipher. So we are at the mercy of the packers when it comes to marketing our cattle, and, for example, this year, even when they packers claimed they were too full to slaughter US cattle because of COVID, they imported more cattle in 2020 than they did in 2019.

NCBA has supported the policies that have made this happen, and they have opposed policies such as a proposed strengthening of the Grain Inspection, Packers and Stockyards Act (GIPSA) which would have tightened up USDA's anti-trust oversight, in order to try to put more control in the hands of the cattle producers and less in the hands of the packers.

Because the ND state beef checkoff has funded NCBA, and because I did not get to vote on the state checkoff in 2015, I urge you to please vote YES on HB 1487 which makes this program voluntary instead of mandatory.

Thank you,

Kevin and Lynette Symanowski