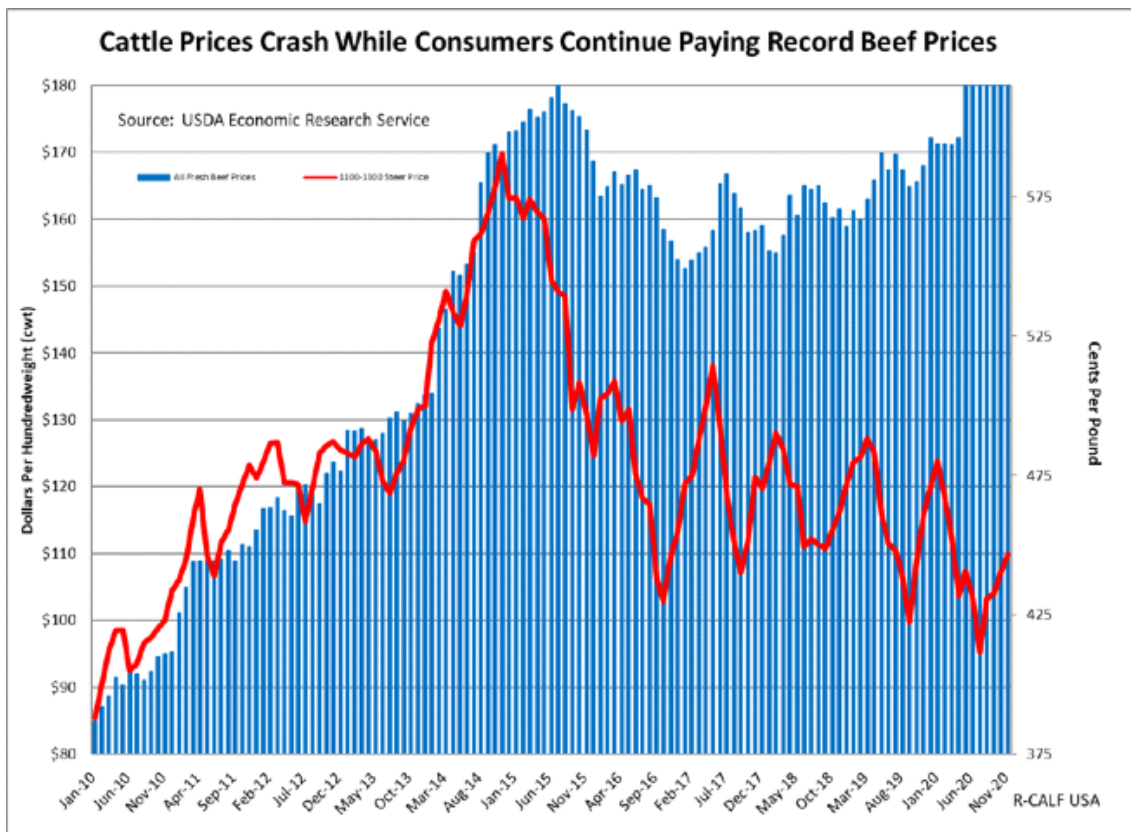


February 3, 2021

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.

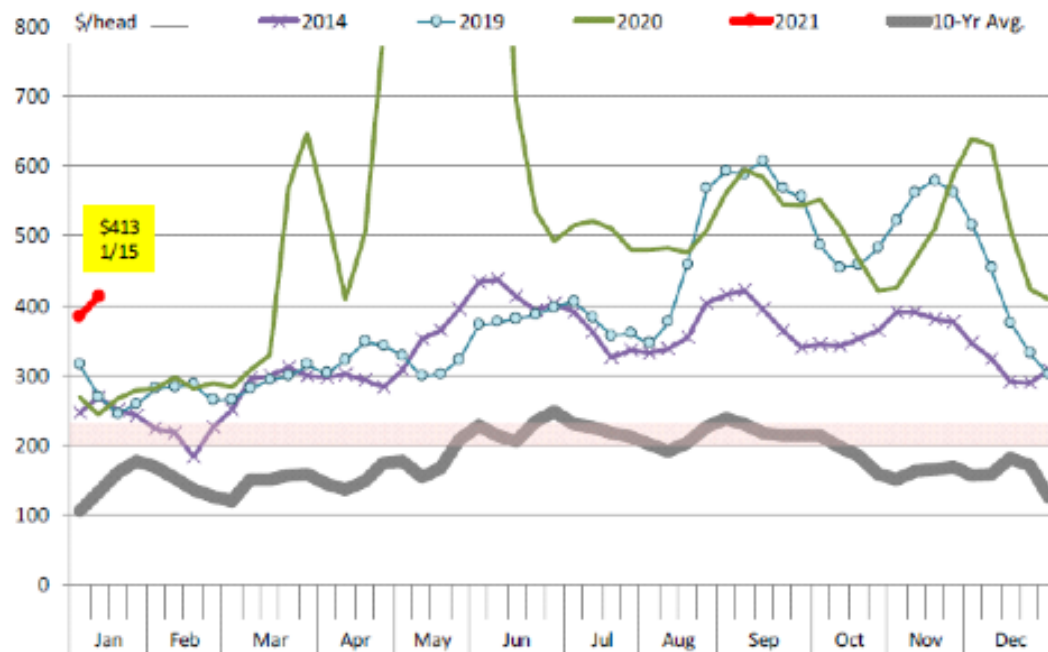
The past 5 years has shown us that the old model, of increasing consumption and thinking profits would follow doesn't work very well for the producer anymore. *(figure 1.1)* When packers realized that they can do what they want to cash cattle markets and get no push back from government or cattle groups,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