

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.