

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Currently ranchers are guaranteed that they can get a refund on their checkoff dollars, but this process is outdated and tedious.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