

Montana Cattlemen's Association

Press Release

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Montana Cattlemen's Association Calls for USDA Intervention in Checkoff Governance Plan

Montana Cattlemen's Association (February 4, 2010) - Montana Cattlemen's Association (MCA) President Kim Baker, Hot Springs, MT, said today that MCA supports a stronger identity for the Federation of State Beef Councils and called on the U.S. Department of Agriculture (USDA) to intervene in the proposed governance restructure model within the National Cattlemen's Beef Association (NCBA) based on questions of compliance with the Beef Act and Order.

During the 2010 Cattle Industry convention, the NCBA board of directors approved a sweeping plan to restructure governance of the organization, affecting the determination of how beef checkoff funds invested in the proposed NCBA House of Delegates will be expended.

"Every checkoff paying producer in the country has a vested interest in NCBA's proposed governance revision on the Federation side," stated Baker. "State beef councils will be investing beef checkoff dollars to purchase votes in the House of Delegates. Yet, those same beef councils will have only a 42 percent vote in determining how those funds are spent and who the contractors are. Non-checkoff members of the House of Delegates, who will hold a majority vote under this proposal, could conceivably recommend and approve beef checkoff expenditures that might not be acceptable to Federation representatives."

"In fact, the proposed structure crosses the line in that it allows the policy side of NCBA to vote on how to direct checkoff funds, and those policy side votes are gained through a monetary investment in NCBA resulting in a direct profit to NCBA related to the beef checkoff. This is a clear violation of the Beef Act and Order," said Baker. "Further, the proposed model allows Federation members to participate fully in discussing and voting on policy issues. NCBA, as an organization, does not represent the majority of producers who pay into the beef checkoff. The governance model approved by the NCBA board creates a conflict of interest so significant that it could ultimately cause the demise of the entire program that for decades has educated consumers and promoted beef."

"The NCBA governance plan rejects the most consistent message sent from producers and that's their insistence on a greater separation between the Federation and policy divisions at NCBA," added Baker. "MCA diametrically opposes this proposed model and urges USDA administrators to intervene and ensure that the mandatory beef checkoff is protected from a takeover by a policy organization."

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