# FACT SHEET

# Opportunities for Fairness in Farming Act

**The Opportunities for Fairness in Farming Act (OFF Act) was introduced to the 119th Congress by Senators Mike Lee (R-UT), Cory Booker (D-NJ), Rand Paul (R-KY), and Elizabeth Warren (D-MA), and Representatives Nancy Mace (R-NC) and Dina Titus (D-GA).**

**Farmers and ranchers are being forced to pay into government checkoff programs that often advocate against their best interests and support food system consolidation. The OFF Act would prohibit certain practices and require greater transparency and accountability in checkoff programs, while providing an exception for university-related research.**

Farm Action

Farm Action Fund

## Background

Checkoff programs were established to help farmers pool money for research and promotion of their goods. Effectively a tax, farmers are mandated to fund the checkoff programs with fees calculated on a per-animal, sales price, per-bushel, or per-weight basis upon the sale of their product. Checkoff dollars go to federal, industry-specific boards, which are required by law to use the funds only for promotion campaigns and research that benefits both the farmer and the industry.

Well-known examples of checkoff-funded advertising campaigns are “Pork. The Other White Meat,” “The Incredible, Edible Egg,” and “Beef. It’s What’s for Dinner.”

All farmers and ranchers—from the smallest local-scale farm to the largest corporate operation—are required to pay the checkoff fee if they produce a commodity that has a corresponding federal program.

Despite their stated purpose, checkoff programs have repeatedly acted beyond the scope of their statutory mandate. Lax oversight by the U.S. Department of Agriculture (USDA) has resulted in collusive and illegal relationships between checkoff boards and lobbying organizations to influence legislation and government action, despite a broad statutory prohibition against these activities. Such lobbying efforts have an anticompetitive effect, benefiting certain producers to the detriment of others, and forcing independent farmers and ranchers to pay into a system that actively works against them.

### THE OFF ACT SUPPORTS INDEPENDENT FARMERS AND RANCHERS BY:

- Prohibiting checkoff programs with an annual assessment of $20 million or more from contracting with organizations that engage in political advocacy on agricultural issues, with an exemption for institutions of higher education
- Disallowing all checkoff programs from contracting with organizations that have conflicts of interest or employ anticompetitive conduct
- Requiring programs to publish all budgets and disbursements to the public and submit to periodic audits by the USDA Inspector General
- Requiring programs to undergo periodic audits by the Comptroller General of the United States

## Abuses of Power

**Beef Checkoff:** In 2010, an independent audit examining the equivalent of just nine days of beef checkoff program spending found that the primary beef checkoff contractor, the National Cattlemen's Beef Association (NCBA), had improperly spent more than $200,000 in checkoff dollars on lobbying and overseas vacations. Despite a Freedom of Information Act request, the full audit has not been released to the public.

**Pork Checkoff:** The government-appointed Pork Board and the National Pork Producers Council (NPPC) jointly operate the "We Care" industry PR program, which serves as NPPC's primary public messaging venue. The Pork Board and NPPC hold joint annual meetings, and NPPC recently called the Pork Board its "sister organization"— despite the fact that NPPC is a trade and lobbying organization, and the Pork Board is supposed to be policy-neutral. American hog farmers don't even want the checkoff program: More than 300,000 farmers voted in a referendum to dismantle the checkoff in 2000. While the referendum passed, NPPC's legal challenge to the vote was enough for the USDA to overturn the decision.

**Egg Checkoff:** The American Egg Board spent tens of thousands of checkoff funds on an attack campaign targeting a plant-based mayo startup. A federal investigation found that the Egg Board had acted inappropriately, violating federal guidelines.

**Soybean Checkoff:** The North Dakota Soybean Council (NDSC) is the Qualified State Soybean Board responsible for collecting and spending federal checkoff dollars in North Dakota. In 2023, the North Dakota State Auditor found that the NDSC illegally spent $85,000 in federal checkoff funds for lobbying, on legislation that will exempt them from future state audits. Checkoff programs are explicitly not allowed to lobby.

## Drivers of Consolidation

The beef industry provides a compelling case study for how corporate-seized checkoff programs operate on behalf of large, consolidated corporations and against the interests of independent producers. Cattle producers are required to pay a dollar per head of cattle, and as much as 83 cents of that dollar is directed to the National Cattlemen's Beef Association (NCBA), a trade and lobbying organization operating on behalf of the world's largest meatpacking corporations.

More than 70% of NCBA's budget comes from the checkoff program. NCBA uses the money to legitimize itself as the voice of the industry, even though its membership includes less than four percent of America's cattle producers. Its policy positions on matters including labeling issues, fair competition, and fair trade practices benefit meatpacking conglomerates, not cattle producers.

Since the NCBA began administering the lion's share of the beef checkoff funds, the U.S. has lost nearly half of its cattle producers, beef consumption has declined by 30%, and the four largest meatpacking corporations control 85% of the market.