

Checkoff Abuses of Power

Beef

[The American Prospect: Farmers Pay Big Ag to Lobby Against Them \(April 2023\)](#)

Checkoff funds comprised more than 70% of the lobbying group National Cattlemen's Beef Association's [2020 budget](#). Since NCBA began administering the checkoff funds, the U.S. has lost nearly half of its cattle producers and four corporations have seized control of 85% of the cattle market. NCBA is a policy organization and has taken positions opposed to the interests of the livestock producers who bankroll the checkoff. Instead, NCBA actively lobbies for policies that benefit large firms.

[Western Ag Reporter: Farm Groups Call for Disqualification of Ohio Beef Council from Checkoff Program \(June 2018\)](#)

The Ohio Beef Council, entrusted by the government with managing the beef checkoff program in Ohio, illegally used government property to promote a fundraiser for a gubernatorial campaign on behalf of the trade and lobbying group, Ohio Cattlemen's Association. According to the Ohio Cattlemen's Association's brochure, the Ohio Beef Council also solicited campaign contributions on behalf of the Ohio Cattlemen's Association's Political Action Committee (PAC) through the state agency's email domain.

[The Oklahoman: Former accountant for Oklahoma Beef Council sentenced in multi-million dollar embezzlement scheme \(January 2018\)](#)

An accountant for the Oklahoma Beef Council embezzled millions of rancher dollars over a seven-year period to open her own clothing boutique. This was possible due to a lack of oversight over the checkoff program.

[Washington Monthly: Big Beef \(December 2013\)](#)

In 2010, an independent audit examining the equivalent of just nine days of beef checkoff program spending found that the NCBA had improperly spent more than \$200,000 in checkoff funds on lobbying and overseas vacations. Despite a Freedom of Information Act complaint, the full audit has not been released to the public.

Pork

[Politico: A \\$60 million pork kickback? \(August 2015\)](#)

The National Pork Board continued to pay the National Pork Producers Council \$3 million per year for the "Pork. The Other White Meat" slogan for years after it was defunct in a licensing scheme. Independent pig farmers sued on the basis that their checkoff dollars shouldn't go to NPPC, which actively works against their interests.

[Politico: A \\$60 million pork kickback? \(August 2015\)](#)

In 2000, hog farmers successfully petitioned for a referendum on the checkoff. More than 30,000 hog farmers voted in the referendum, and the resulting decision — by five percentage points — was to end the program. But the NPPC challenged the referendum in court. Ultimately, USDA secretary Ann Veneman overturned the referendum result, forcing the hog farmers to continue paying checkoff fees.

Dairy

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Through contracts with Dairy Management Inc., the dairy checkoff spends farmers' dollars on partnerships with huge corporations: most recently, millions went to develop extra cheese pizza at Domino's and new dairy drinks at McDonald's. Another partnership with the company Fairlife supported the research and marketing for a new protein shake replacement. After the product was released — thanks to farmers' support — the dairy giant Select Milk Producers helped sell Fairlife to Coca-Cola.

[The Fern: Vilsack's checkoff problem \(August 2021\)](#)

The dairy checkoff, being the largest pool of money, is legally required by Congress to submit [annual financial reports](#) — but failed to do so for five years.

[Agri-Pulse: Ag leaders facing unprecedented challenges see pay raises, some status quo during pandemic \(September 2021\)](#)

The dairy checkoff organization, the National Dairy Promotion and Research Board, and the trade lobbying group, Dairy Management Inc. have an extremely close relationship. Until Sept 2021, Tom Gallagher was the CEO of both. His combined compensation from both roles was \$1,512,930 — all as the farmers who pay this salary [go out of business](#).

Eggs

[L.A. Times: The egg industry launched a secret two-year war against a vegan mayonnaise competitor \(October 2016\)](#)

The American Egg Board waged a targeted campaign against a plant-based mayo startup, hiring a PR firm to track the startup's online presence and tank its online advertising efforts. Egg Board executives exchanged emails about hiring a consultant to pull the product from Whole Foods' shelves, and even about putting out a hit on its founder. Federal investigators determined that the Egg Board's obsessive campaign focusing on one company and product — and failure to submit the budgets for that campaign to the USDA for review — violated federal guidelines.

Soybeans

[Agri-Pulse: Sex, knives and soybean politics \(December 2008\)](#)

A complaint filed by soybean growers accused the United Soybean Board of a number of serious crimes: theft, sexual harassment, and even assault by the then-CEO of the U.S. Soybean Export Council. An investigation by the Office of Inspector General [revealed](#) that the Export Council had also doled out more than \$300,000 of growers' checkoff dollars to its staff as “bonuses.”

Paper and Packaging

[Environmental Paper Network: Got Accountability? The USDA's Paper and Packaging Commodity Checkoff Program Continues to Operate in Secrecy \(July 2021\)](#)

The Paper and Packaging checkoff program kicks the public out of its supposedly public meetings after roll call, and maintains close relationships with lobbying organizations like the American Forest and Paper Association (AF&PA) and the Coalition for Paper Options.